

HOUSE OF ASSEMBLY

Wednesday 14 June 2000

ESTIMATES COMMITTEE A**Chairman:**

The Hon. D.C. Wotton

Members:

Ms V. Ciccarello
 Mr S.G. Condous
 Mr M.L.J. Hamilton-Smith
 Ms S.W. Key
 Ms E.M. Penfold
 The Hon. M.D. Rann

The Committee met at 11 a.m.

Legislative Council, \$3 394 000
 House of Assembly, \$6 000 000
 Joint Parliamentary Services, \$5 832 000

Witness:

The Hon. J.W. Olsen, Premier, Minister for State Development, Minister for Multicultural Affairs.

Departmental Advisers:

Mr G. Mitchell, Clerk of the House of Assembly.
 Mr J. Neldner, Finance Manager.
 Mr J. Leahy, Leader, *Hansard*.
 Ms E. Grove, Manager, Catering.
 Mr H. Coxon, Parliamentary Librarian.
 Mr C. Argent, Policy Adviser, Office of Premier and Cabinet.

The CHAIRMAN: As this is the first of the estimates procedures for this year, we need to go through a few preliminaries. I remind members that the estimates committee is a relatively informal procedure. The committee will determine the approximate time for consideration of proposed payments to facilitate the change of departmental advisers. I understand that the Premier and the Leader of the Opposition have agreed to a timetable. I remind the committee that changes to the composition of the committee will be notified as they occur. I ask that members ensure that they have provided the chair with a completed request to be discharged form.

If the Minister undertakes to supply information at a later date, it must be in a form suitable for insertion in *Hansard* and two copies submitted to the Clerk of the House of Assembly no later than Friday 30 June 2000.

I propose to allow the Premier and the Leader of the Opposition to make opening statements, if they so desire, I would suggest of about 10 minutes; 15 minutes maximum. There will be a flexible approach to giving the call for asking questions, based on about three questions per member. Members may also be allowed to ask a brief supplementary question to conclude a line of questioning but I would request that supplementary questions be treated as the exception rather than the rule. Subject to the convenience of the committee, a member who is outside the committee and

desires to ask a question will be permitted to do so once the line of questioning on an item has been exhausted by the committee.

An indication to the chair in advance from a member outside the committee wishing to ask questions is necessary. Questions must be based on lines of expenditure as revealed in the Estimates Statement. Reference may be made to other documents, including the Portfolio Statements, but it is important that members identify the page number or the program in the relevant financial papers from which their question is derived. That helps the committee overall.

Questions not asked at the end of the day can be placed on the next day's House of Assembly *Notice Paper*. I remind the Premier that there is no formal facility for the tabling of documents before the committee. However, documents can be supplied to the chair for distribution to the committee. The incorporation of material in *Hansard* is permitted on the same basis as applies in the House, that is, that it is purely statistical and limited to one page in length.

All questions are to be directed to the Premier and not to his advisers. The Premier will be given the opportunity to answer every question as it is asked, and he may refer questions to advisers for a response or undertake to bring back a reply if he so wishes. I also advise that, for the purposes of the committee, some freedom will be allowed for television coverage by allowing a short period of filming from the northern gallery.

I remind all members, the Premier's advisers and observers that all mobile telephones should be turned off while in the chamber. I now invite the Premier to detail any agreed program and to introduce his advisers and, if he so desires, to make a brief statement to the committee.

The Hon. J.W. Olsen: I might make some brief comments, not so much an opening statement, to put on record the way in which the government proposes to deal with a range of standard omnibus questions. We will endeavour to answer those questions individually where possible. We have attempted to prepare for a range of omnibus questions today, and I propose that we work our way through those questions and attempt to get the answers delivered today. By doing that, we will be able to respond expeditiously to the questions that are put.

Some of the omnibus questions that we received last year were quite broad and, therefore, had substantial costs associated with them. Therefore, it is proposed at this stage (and I will further expand on that during the committee hearings if necessary) that, as the questions are put, we will attempt to respond to them today.

There might well be some questions of a technical or detailed nature that will require some further information. We seek to avoid the situation whereby a bulk of broad questions are asked that then have associated with them very substantial public sector costs in any attempt that is made to answer them. Also, of course, questions on notice are available to members of the committee.

The CHAIRMAN: Does the Leader of the Opposition have an opening statement?

The Hon. M.D. RANN: Yes, to make a point on the issue of questions. When we were in government, all ministers, senior and junior, were required to spend a full day before the estimates committee, so the Premier was present from 11 in the morning until 10 at night and the most junior minister was also present from 11 in the morning until 10 at night to be available for questioning. We have seen a contracting of the process so that now we have piggybacked ministers. So today

the Premier will be here until 6 p.m. and, in the evening, a junior minister, the Minister for Tourism, will be here for a few hours.

On the issue of questions on notice, there was always the presumption, certainly when we were in government, that we had two weeks to reply to those questions. I am not referring just to the omnibus questions but, last time round, some of those questions on notice took six months to answer. I understand what it is about: it is about damage control in advance. The government puts its weakest ministers on at night, hoping that the TV people will not hang around, ensuring that the public servants speak more and taking more questions on notice. The number of questions asked is very important and I am happy to put questions of an omnibus nature to the Premier directly when we get on to the appropriate line, because they deal with important issues such as consultancies, contracts and credit cards.

The CHAIRMAN: Are there any questions?

The Hon. M.D. RANN: I understand that approval has been given for the letting of tenders, and I understand those tenders have been let, to install a television system in the parliamentary chamber. That will mean that the television channels no longer film from the galleries because parliament will have an in-house television system, and that will make television visuals and sound from question time available not only to television channels but also on the internet, presumably to ensure greater access to our thoughts, words and deeds to a worldwide audience. Will the Premier report on the progress of that project? I understood that the television system for the parliamentary chambers was supposed to be up and running by now. Is it still intended to link the television and voice images to the internet? How much is involved in that process? If tenders have been let, for how much?

The Hon. J.W. Olsen: As the leader will understand, this is a matter for the Speaker of the House, but I am advised that a consultancy has been let to prepare a report on such a scheme and that report is not yet to hand. The Speaker has established a committee of members of the House, that is, across party lines, and that committee of members will give advice to the Speaker. I am also advised that no final decisions have been made at this stage. The consultancy cost is of the order of \$70 000.

The Hon. M.D. RANN: Also, we had the incident earlier this year during the condolence motion for Dame Roma Mitchell when the parliament was interrupted by the so-called serial pest Peter Hoare. As a response to that, will changes be made in security arrangements for the parliament? As I understand that a committee is looking at the matter, will the Premier say what progress has been made in that area?

The Hon. J.W. Olsen: I am advised that the President and the Speaker are reviewing security. The issue is, of course, right of access matched with appropriate levels of security for the parliament. The matter is being progressed by the President and the Speaker, but at this stage I am not aware of any final determination.

The CHAIRMAN: There being no further questions, I declare the examination of the votes completed.

State Governor's Establishment, \$2 082 000

Additional Departmental Advisers:

Mr I. Kowalick, CEO, Department of Premier and Cabinet.

Ms S. MacIntosh, Executive Director, Strategic and Executive Services, Department of Premier and Cabinet.

Miss A. Alford, Principal Financial Consultant, Department of Premier and Cabinet.

The CHAIRMAN: I declare the proposed payment open for examination and refer members to page 29 of the Estimates Statement, and volume 1, part 1 of the Portfolio Statement. Are there any questions?

The Hon. J.W. Olsen: I wish to advise of an amendment to the State Governor's Establishment. During the preparation of the budget a printing error resulted in page A.7 showing incorrect figures. It is showing the result for 1999-2000 as a \$446 000 debit. The correct figures show the State Governor's Establishment with the result of a \$1 000 surplus.

I would also like to acknowledge the efforts of the Governor and Lady Neal over the past year. During 1999-2000 the Governor Sir Eric Neal has continued what is an extraordinarily busy schedule in visiting many of South Australia's country regions. He meets regularly with national and international business leaders, as well as visiting South Australian businesses. The efforts of His Excellency in raising the profile of South Australia as a place to do business is indeed valuable, and there is no doubt that his efforts have a positive influence on South Australia's reputation. He meets with a diverse range of community groups, as well as providing use of the grounds for special community events.

Government House and the grounds continue to be open on many occasions to the people of South Australia, with over 21 000 people attending functions during the financial year. During 1999-2000, the lawn areas available for use of functions were extended and have proven to be most helpful during events such as the Festival of Arts. His Excellency will also represent South Australia at an alumni conference in Sarawak in the next few months at the invitation of the Chief Minister; and, with the concurrence of the government, His Excellency will represent not just South Australia in that respect but, as it is an Australian alumni conference, the whole of Australia. That will further assist in our endeavours as it relates to Education Adelaide. Finally, I record my thanks to Sir Eric and Lady Neal for their enthusiasm for the state and their contribution throughout the past year.

The Hon. M.D. RANN: I have no questions, sir, but I join with the Premier in acknowledging the hard and distinguished work being undertaken by the Governor and Lady Neal.

The CHAIRMAN: There being no further questions, I declare the examination of the State Governor's Establishment vote completed.

Department of the Premier and Cabinet, \$46 063 000
Administered Items for the Department of
Premier and Cabinet, \$2 100 000

Additional Departmental Adviser:

Dr S. Ozdowski, Chief Executive Officer, Office of Multicultural and International Affairs.

Membership:

Mr Koutsantonis substituted for Ms Key.

The CHAIRMAN: I declare open the Premier and Minister for State Development and Minister for Multicultural Affairs line, particularly relating to the administered items for the Department for the Premier and Cabinet, \$2 100 000, and also the Department of Premier and Cabinet, \$46 063 000.

The Hon. M.D. RANN: As agreed in the timetable, could we talk about the multicultural affairs area? Concerns have been raised with the opposition regarding the level of resources that would be required and, indeed, are already required if any of the hundreds of mostly Afghan or Iraqi detainees housed near Woomera are granted refugee status. The recent Woomera break-out has brought the issue into sharp focus for many South Australians, as has the statement made by the commonwealth immigration minister, Philip Ruddock, that the detainees' applications for refugee status are close to being finalised.

Some fairly bizarre statements have been made by minister Ruddock about the facility at Woomera being secure. He made that statement when all of the people inside the secure facility were outside the fence. In terms of state resources, this matter is a commonwealth responsibility, and I think that the Premier has made the same points. Obviously it appears that there is a degree of cost shifting in the wind, with the federal government wanting the state government to use its resources essentially to cater for a situation which is of the commonwealth's clear legal responsibility.

What representations has the Premier made to the Commonwealth Government regarding the level of commonwealth funds that should be provided to the state government and to the refugees themselves if they are granted residency in South Australia, what is the cost to South Australian taxpayers, for instance, already of providing health and other services to the Woomera detainees, and will the commonwealth reimburse the state for these costs?

The Hon. J.W. Olsen: Currently, approximately 1 400 illegal immigrants are being detained at Woomera. We are also advised that that figure might top 3 000 people in the not too distant future. Up to 90 per cent of those people, we are advised, will be granted temporary protection visas allowing them to stay in Australia for three years.

The Hon. M.D. Rann interjecting:

The Hon. J.W. Olsen: Yes, up to 90 per cent. They will not be eligible for any of the normal humanitarian settlement services funded by the commonwealth, which was the issue that I took up at the ministerial meeting recently where South Australia presented the case, and it was unanimously supported by all the states and territories but for the commonwealth government. For example, as to the lack of humanitarian services being funded by the commonwealth, the people concerned will not be eligible for up to three months accommodation; they will not be eligible for fully-funded English language courses; they will not have access to job network services; and they will not have access to settlement services, including counselling, assistance to access to schools and family support services. Those granted these temporary permit visas will be sent to Adelaide, Perth or Brisbane; they will be given a bus fare from Woomera to one of those three locations. Given Woomera's location—that is, its close proximity to Adelaide—it is expected that a significant number will come to Adelaide. On current figures, it is possible that 500 or more may arrive in Adelaide starting this month.

Up to 95 per cent of detainees at Woomera do not speak English. It is widely recognised that refugees require

appropriate early coordinated intervention—and that includes access to English language lessons—and that the sooner they recover and settle the better for them and the whole community. This gives rise to significant cost implications for public housing, emergency accommodation, health and community services. With the commonwealth making a policy decision to downgrade its services, the states and territories are left to pick up this tab. We are advised not to pick up the tab. To add to South Australia's concern, currently almost 30 unattached minors aged between 14 and 17 years are at Woomera who have significant guardianship and placement issues. As they are minors we have a statutory obligation and responsibility that cannot be avoided, despite the fact that the commonwealth would suggest we should. On top of that, as I mentioned, we have been advised that preparations are under way to allow for a possible increase so that 3 000 people can be detained at Woomera.

At a ministerial immigration council in New Zealand early this year, as I have indicated, every state and territory passed a motion calling on the commonwealth to immediately suspend TPVs until a review of cost could be undertaken, that is, costs that are being transferred to the states. Furthermore, the commonwealth minister flatly rejected the proposition of the states with the view that no additional costs were to be picked up by the states. In addition, the commonwealth reiterated that it was committed to a policy of providing reduced services as a means of deterring further illegal boat people. The argument is that, if we reduce the services, they will not be inclined to come to Australia. I fail to see how that is any deterrent at all in the policy direction; in fact, I do not believe it will be. This has left the states and territories in an extremely difficult position, because clearly there has been a cost shift. That cost shift will be and has the prospect of being substantial.

When government agencies, our charities and welfare organisations are forced to provide emergency accommodation and food and blanket parcels, a cost is involved. In a bid to get that point of view across to the commonwealth, I have written to and asked welfare groups to outline the potential impact on their services of these TPVs. They have made it clear that there is a real impact; for example, the Wesley United Mission has advised the government that, in the period leading up to Easter—on the Thursday or Good Friday—this year it assisted 38 Afghan temporary visa holders who had been transported from Western Australia to South Australia.

Mostly food parcels and blankets, at an average cost of \$100, were provided by South Australian charitable organisations. That is almost \$4 000 which could have been used elsewhere or for South Australians. St Vincent de Paul has advised the government that it has been required to supply welfare support for 60 Iraqi and Afghanistan men at an estimated cost of \$200 per person. Many of them do not have cooking utensils, food or accommodation, all of which need to be met in some way.

The Survivors of Torture and Trauma Assistance and Rehabilitation Service is expecting a dramatic impact on its services. The Australian Refugee Association shares similar concerns. I intend to again write to the federal minister to outline those concerns and again request the commonwealth to review its position. We fought the good fight unsuccessfully at the ministerial conference. Hopefully, we will be armed now with the irrefutable evidence of cost. How do you say to a church group, 'Turn them away at the door because that is the policy. We want this to act as a deterrent for people coming from overseas.' It is arrant nonsense, in my view, that

that will be any deterrent for someone wanting to escape from difficult circumstances that would be or could be described as intolerable.

From the state government's perspective, I indicate that cabinet has endorsed an assistance package for the TPVs who arrive in South Australia. Cabinet has just signed off on this. It is a package which recognises that as a government we need to strike a balance between our moral obligation and what the state can afford. Under the package, TPV holders will be eligible for private rental assistance, emergency relief, interpreter services, health assessment and settlement support. We are also investigating the availability of volunteer teachers in English language through Volunteering SA so that, if we do not get support from the commonwealth for paid English language courses, perhaps through Volunteering SA we can coordinate a volunteer effort to undertake English language support for these people.

If the commonwealth thinks that reduced services will stop the influx of these people, I just think it is wrong. The federal government is after a deterrent. The South Australian government believes that a policy should be considered requiring those refugees who do become self-sufficient to repay the cost of the services provided. If this policy is to be maintained at the federal level, we put the view that perhaps it should be on the same basis as the HECS scheme, for example: when they become self-sufficient they should repay part of the cost through jobs that they are able to access. I think that would be a greater disincentive than reduced services. In that way the South Australian community would not suffer. Scarce resources need to be available for South Australians.

As a state, we strongly support a coordinated, considered response to refugees rather than a piecemeal and crisis driven approach that will inevitably result from what I believe is, at the moment, the wrong policy determination by the federal government.

The Hon. M.D. RANN: I think the current situation is disgraceful. It is a situation where, as I understand it, last week we had one police officer or one security person to maintain the security of a facility of this size. We still have the federal government saying that it is a secure facility when clearly it is not. We have the federal government now wanting to process these people, not with an aim of humanitarianism but, rather, a way of dumping these people without adequate supports and hoping that others will pick up the costs and responsibility for the care.

In relation to the logistical support given by South Australian Police and other emergency services last week, in terms of assisting the crisis in Woomera, I would be interested to know who pays for that. Does the commonwealth pick up the tab—get sent the bill—because of its failure to run or maintain a secure facility, or does South Australia pay for that as well?

The Hon. J.W. Olsen: South Australia, of course, funds the South Australian police services associated with the township of Woomera. The commonwealth government is responsible for the security of the detention centre. We sought and obtained written confirmation from the commonwealth government, as I am advised, that any additional police resources that would need to be deployed to Woomera for the incident that occurred in the last week would be fully compensated for by the commonwealth government. We responded to a call from the commonwealth government for additional resources to be put in place not only to secure the detention centre but also because we had a duty of care to the

residents of Woomera and the shopkeepers who had to close their shops simply because of the circumstances that had unfolded. Additional police resources, STAR Force and senior personnel were deployed to Woomera at quite short notice. There was a further request for additional police resources for Woomera, and arrangements were made for additional resources to be deployed to Woomera on the Saturday. Fortunately, on the Friday evening, the detainees decided to return to the detention centre of their own volition, after a commitment was given by the federal minister to visit Woomera and discuss with a representative group of the detainees their concerns. My discussion with the federal minister last Friday evening indicated that, as a result of his offer to speak with them, it was anticipated that they would return, and they have. The federal minister visited Woomera yesterday afternoon, or last night, and I have not had an opportunity to be briefed as to the outcome of his discussions with them.

The Hon. M.D. RANN: Given that Mr Ruddock, in a sort of Colonel Klink fashion, seems to think that his facilities are secure when all the people inside are outside the fence, has any representation been made to him to increase federal police in the area? Obviously, the central concern is the security of the people in Woomera, and businesses that had to close in case there was looting, or what have you. Surely the federal government, having seen this crisis in Woomera, should be putting more of its own federal police into the area to make sure that the facilities are secure.

The Hon. J.W. Olsen: In fact, the federal police did deploy resources from around Australia from a number of institutions: they redeployed AFP personnel to Woomera at short notice. My understanding is that something of the order of a couple of hundred were redeployed over the 24-36 hour period. We have made the point quite firmly, and my understanding and advice is that the commissioner has communicated to the federal authorities that we consider it their responsibility to maintain the security of the detention centre. We will support and deploy resources—compensatable—as need be to meet their needs but, in the first instance, it is their responsibility. I have no doubt that, as a result of the incident of the last week, alternative operational plans are being put in place by the federal authorities.

Mr HAMILTON-SMITH: I refer to budget paper 4, volume 1, Portfolio Statements page 1.22. Can the Premier outline how the budget initiatives will assist people living in regional South Australia in regard to new multicultural initiatives in the regions?

The Hon. J.W. Olsen: Since SAMEAC (the South Australian Multicultural and Ethnic Affairs Commission) has been given a strong role by the government under the recent restructure of the Office of Multicultural and International Affairs, I am pleased that the commission's regional advisory groups have expanded their excellent work. The regional advisory groups are consultative groups in different regional areas of the state that, through the commission, can communicate issues of importance to regional South Australians of multicultural background. There are currently three such regional advisory groups: the Riverland, the Iron Triangle (or I should say Upper Spencer Gulf region), and the South-East. One of the issues identified by the South-East regional advisory group was the need for interpreters in the area to assist in emergency situations such as accidents or major disasters. As I am sure members would appreciate, it is important that, in an emergency situation involving someone from a non-English speaking background, communication is

not compromised in those circumstances. As a consequence, it has been decided that a first response group of volunteers to act as interpreters in an emergency should be set up. In the first instance, a pilot project is being established in Mount Gambier. However, I understand that investigations into establishing a similar project in the Riverland are also under way. This group of volunteers will act as a link between emergency services and families of anyone who might be involved in an emergency situation. In such circumstances, we need culturally appropriate and sensitive communication, and that is of great importance to people.

The training of volunteer emergency first response groups in regional South Australia that may be able to assist with communication difficulties that arise in emergencies has the support of the respective local police forces. Major ethnic groups in the South-East have been identified, as have volunteers within those ethnic groups who are willing to help with the project. However, the approximately 20 linguistically fluent volunteers who are willing to provide the services to the community are not qualified interpreters and need some training. Consequently, the commission is facilitating a two-day non-accredited training program that will address protocols, processes, procedures and confidentiality. The training will be undertaken in Mount Gambier in July by the Interpreting and Translating Centre of the Office of Multicultural and International Affairs. I think that that is an excellent example of communities and government agencies working together to provide access to these services. With qualified interpreter services not being as readily available in regional areas for emergencies, this initiative is a positive way in which to address a need.

Mr HAMILTON-SMITH: I again refer to budget paper 4, volume 1, page 1.22. What is the budget line doing to assist young people from diverse cultural backgrounds to celebrate their cultural heritage?

The Hon. J.W. Olsen: We are committed to our multicultural communities. I note that there is bipartisan support for multicultural communities in South Australia, and I think that this is one of the attributes that tends to make this state stand out from the other states. We know that we have a very diverse society. One program to assist young people was initiated by my parliamentary secretary (the member for Colton, Steve Condous), and that is the Multicultural Youth Leadership Summits. OMIA (the Office of Multicultural and International Affairs) organises biennial summits designed for young South Australians to celebrate their cultural heritage, to explore their role in a multicultural community and to develop leadership skills amongst them.

It is the regeneration of the multicultural communities encouraging young people to take a leadership role and to continue a proud tradition. Last September a summit was held at Scotch College, with the theme 'Achieving through diversity'. Some 250 young people took part in that summit, with students from regional South Australia, the Mid-North and the Riverland being provided with transport assistance to attend, and that summit's success will ensure the continuation of the program.

The next summit is at Woodville High School, with the theme 'International year of culture and peace', and a subsequent summit is planned for the Riverland. So, there will be two in the city and one will go to the Riverland. In addition, OMIA is implementing a program that recognises the contribution older people from diverse backgrounds are making and have made to the South Australian community.

That is important for regional areas, many of which were settled by migrant groups.

Those programs indicate a diverse range of younger and older people, with both communities trying to address their respective needs. Importantly, involving young people overcomes, in a way, the shortlived One Nation thrust and demonstrates cross-cultural, cross-community diversity, working together from a cooperative base to put asunder that sort of approach. That so-called shooting star seems to have faded on the horizon—and may it have faded permanently.

Mr HAMILTON-SMITH: I refer to the same page (1.22 in the Portfolio Statements). What strategies have been funded to promote the benefits of South Australia's multicultural society and to counter racist attitudes?

The Hon. J.W. Olsen: The South Australian Multicultural and Ethnic Affairs Commission is working with the Department of Education, Training and Employment on a program, 'Unity and diversity: Building a culture of peace'. Essentially, the project is designed to counter racism for, despite the general acceptance by the majority of South Australians of the positives of multiculturalism and cultural diversity, racism still exists. We ought not to be complacent, and the project aims to continue to educate our young people about the strengths of diversity.

I guess that the 50 000 people who marched on Monday underscores that there is a broader view in the community that diversity is a strength, and demonstrates some tolerance and understanding within the community. The project I refer to is a practical way of demonstrating the government's commitment towards a more inclusive society, although I hasten to add that I still think that our approach in this state is one of our great attributes.

The project is aimed at involving our youth through our schools, and rewards exemplary multicultural education practices in our schools which, in turn, contribute clearly to community harmony by countering racist attitudes. The first phase of the project was launched in October 1999 at the Festival Centre, with about 600 school children present. Students from as far afield as Coober Pedy and Mount Gambier participated through video-conferencing; children from four to 12 years showcased a diverse range of projects and activities for that day; and certificates of participation were presented.

Phase 2 of that project is now under way, which will encourage schools to apply for funding to develop activities as one of the state's contributions to UNESCO's 'Building a culture of peace' theme for the year 2000. Participating schools will have an opportunity to link with UNESCO's Associated Schools Project Network in the Asia Pacific region. Clearly, we want South Australian youth to play a major role in combating racism and fostering community harmony, and this project is an important way of educating our young people.

I guess it is not dissimilar to World Environment Day, when our school children turned out in the thousands to celebrate that day and the programs that were put in place in our schools, educating my generation and others by the younger generation's understanding of the importance of the environmental challenge and combating those issues. Our school children and the programs we have within our schools will be of great assistance in terms of our getting the policy settings right in the future.

Mr CONDOUS: In the past seven days I have attended two functions involving the Croatian community, the latter being the opening of the new sports centre at Sports Park, on

stages 1 and 2 of which the Croatian community has spent something like \$500 000 with the assistance of the state government in providing land, and on stage 3 of which another \$500 000 is about to be spent on the establishment of three soccer pitches and community facilities for up to 800 people.

What I experienced there was Croatian dance and music and, not having previously attended any Croatian functions in my capacity, I was absolutely amazed at the wonderful talent here in South Australia of our ethnic communities in dance and music. Since Adelaide Cup Day attracts 30 000 people and 1.47 million have nothing to do, would it be possible for the state government to promote amongst our 152 ethnic communities a day of song and dance in the parklands, on which day the people of South Australia could go and enjoy the artistic talents of our ethnic communities?

Those talents are going to waste in that only Croatian people or invited visitors are actually seeing them, and it would be wonderful to make a day that I believe could be attended by up to 100 000 people and would also attract enormous visitations from interstate.

The Hon. M.D. RANN: I think the ethnic and multicultural groups have been written to and been asked if they are willing to participate in one next year for the centenary of federation.

The CHAIRMAN: Order! I think the question has been directed to the Premier.

The Hon. J.W. Olsen: I think that the suggestion has enormous merit. In the context in which the centenary of federation celebrations are being proposed, the folkloric group is seeking to coordinate a range of dance groups. It has been raised with me in the past few weeks, although the matter has not been progressed beyond the discussion that I had several weeks ago.

The member for Colton's suggestion is an exceptionally good one. Perhaps we could expand the current proposal in the way in which he suggests. I suggest that we might have the Office of Multicultural and International Affairs with AME, along with this folkloric group or society that has the proposal, look at whether we can bring them all together to make one outstanding day. I thank the honourable member for the suggestion.

The CHAIRMAN: If there are no further questions on multicultural services, we will move to central coordination and policy advice, and I remind the Leader of the Opposition that this might be an opportunity for omnibus questions to be asked.

Membership:

Ms Key substituted for Mr Koutsantonis.

Ms Thompson substituted for Ms Ciccarello.

Additional Departmental Advisers:

Ms H. Butow, Executive Director, Cabinet Office.

Mr J. Chapman, Executive Director, Economic Reform.

Mrs P. Martin, Director, Commercial Advice.

The Hon. M.D. RANN: I refer to coordination generally (budget paper 4, page 1.3). In August 1997, on Woomera's 50th anniversary, an announcement was made about Kistler Aerospace regenerating Woomera as a spaceport. It was announced that there would be test launches in 1999 of the K1 rocket, which essentially is the delivery vehicle to send reusable rockets into space, particularly for putting into orbit from a site at Woomera a range of satellites that are aimed at

the mobile phone market, but there is a range of other uses. It was announced in August 1997 that there would be a big construction boost and that Woomera would be regenerated as a site for space-related activities. In 1998 the Premier and I attended a ceremony with the defence minister, Mr Moore, at which the first sod was turned and the announcement was made that Kistler would begin its rocket activities in the year 2000.

I understand that the first stage was supposed to be a \$30 million spaceport to be built at Woomera and that the first test firings were to have taken place earlier this year following some delays. It has been put to us that the project has now been delayed for a third or fourth time because Kistler has been unable to raise the \$600 million it needs in terms of a public float, which was unsuccessful last November, to get the project up and running. We have heard today that Kistler has again put the project on hold, and that no work has been undertaken on the spaceport that was supposed to have been built. In fact, the only work has been the shovelling that was done by the Minister for Defence a year or two ago.

Given that we were all keen to see the Kistler project become more than an announcement, does the Premier believe that Kistler will meet its revised schedule of test firings in March next year, and when does he believe that construction will begin on the spaceport at Woomera?

The Hon. J.W. Olsen: In part the leader has answered the question, namely, that the fundraising by Kistler both in the United States and in the Asia Pacific region did not in the first instance raise the funds required. On one occasion we assisted Kistler with access to different companies, to which it presented its business case and from which it got some funding support. The difficulty that Kistler has faced is that the telecommunications market has changed rapidly, and the need for satellite communications varies, and there has been a downturn in the Asian economies, and that is a principal market for which the Kistler LEOS (Low Earth Orbiting Satellites) system was designed. With the downturn in the Asian economies, my understanding is that the funds that Kistler anticipated raising from a range of financial institutions in Asia were deferred pending the rebuilding of the economic base of a range of companies through Asia.

We understand that Kistler still has staff and a base in Australia and still has plans to proceed, that it is a deferral of the start of the construction, that it is entering into and has contracts with a range of companies for satellites but that the seed funding needs to be secured, despite the fact that it has raised quite substantial seed funding for the project. The leader would understand that this initiative is being managed by the Department of Industry and Trade. I have occasional meetings with overseas or interstate representatives of the company when they are in South Australia. They have assured me on each occasion that they will continue to fulfilment of construction of the site and satellites but that the financing packages need to be secured.

In the interim, we have also had discussions with Spacelift, which is the Russian consortium. It is not a return to earth project, unlike the Kistler project, which employs reusable rocket or satellite launchers. Spacelift has undertaken the various environmental requirements with the Australian government and, in the next few weeks, representatives are due out from Russia to take a further step in the negotiations with the commonwealth government relating to the various clearances that are required for launching satellites. The Russian proposal is to use launching product

formerly used in Russia, and the Department of Industry and Trade is negotiating and facilitating its interest.

Where private sector funds are the principal or sole source of funding, it is in the hands of commercial interests to invest their money. What we need to do, and we are doing, is be proactive, and facilitate and assist as best as we can so that investment can take place.

The Hon. M.D. RANN: By way of supplementary question, I point out that all of us want to see the Kistler project become a reality, but what concerns us about today's news is that, after four substantial deferrals involving more than a year or two, there is no set projected launch date. Kistler does not have a launch date and, if the investors are to put in more money, they would want to see the building of the spaceport, and no work has been done on that. There is a general concern that the delay is now indefinite, and the Premier might like to address this issue with Senator Minchin, who is also involved in the discussions.

I turn to budget paper 4, volume 1, pages 1.5 and 1.6 regarding intergovernment relations and cross-border issues. On 18 February 1998, the federal government announced that the Billa Kalina region in South Australia would be the location of the nation's repository for low level radioactive waste. In the press release announcing that decision, Senator Warwick Parer, the responsible federal minister, indicated that the states and territories had already agreed with the collocation of a nuclear waste storage facility for long lived, intermediate or medium level waste alongside the low level radioactive repository as a first siting option. In 1998, when Senator Parer announced that the federal government wanted to put the low level radioactive waste in South Australia, he said the all the states and territories had already agreed on a collocation for high level nuclear waste.

We also know that in early 1998 the Premier received a letter from the Prime Minister, John Howard, that talked about the decision of the Commonwealth-State Consultative Committee (which included South Australian representatives) to support the collocation of the two dumps. This confirmed our fears that a low level repository would be the thin edge of the wedge; that once a site was agreed in South Australia a high level facility would then be established. It would be a fait accompli.

We understand that—after the indications in early 1998—the federal-state consultative committee took a decision in November 1997 to support collocation of the two dumps. So, it was clear by 18 February 1998 that South Australia was the only option for the low level repository and the first siting option for the medium level nuclear waste dump and that, according to the commonwealth, your government had agreed that it was the first siting option for the second high level waste dump.

Following those announcements, the Department of the Premier and Cabinet had representatives on the South Australian-Commonwealth Consultative Committee and the Regional Consultative Committee, with the commonwealth and other groups looking at the issues surrounding the dump. What instructions did the Premier give his departmental officers on the consultative committee in relation to the government's opposition to a medium level nuclear waste dump being built in this state? When did they inform those committees that South Australia would not support the medium level dump coming here? We have been getting mixed messages here—the commonwealth saying South Australia had agreed and, a couple of years later when the

political flack was flying, the South Australian government saying that it was totally opposed to the medium level dump.

When we introduced a private member's bill the government was forced to do likewise—something we are pleased about. It is useful because estimates committees are about accountability; about knowing exactly what instructions the Premier gave his departmental officers given that in 1997 that first decision was made and that in February 1998 the federal minister said that all the states and territories had agreed to a first siting option for the second dump.

The Hon. J.W. Olsen: There is no mixed message from my perspective or that of the South Australian government. Our position in relation to the storage of nuclear waste is clear and unequivocal. As I have stated publicly on numerous occasions, the government is supportive of the need for a national repository for the storage of lower level radioactive waste. It is the sort of waste that is currently stored at the Royal Adelaide Hospital. We have made no secret of this fact and do not resile from it and, indeed, we believe that this is a responsible course of action. Low level radioactive waste is already prevalent in our community and it is only sensible that a safe storage site is found. The choice is to leave it where it is now—that is, in all South Australian towns and cities—or store it safely.

In February 1998, the Commonwealth-State Consultative Committee (a committee made up of a range of bureaucrats from different agencies that meets from time to time and, to my recollection, there is no advice to me directly as to the timing of these meetings or the agenda items) identified the central north of South Australia as the preferred region for further investigation and selection of a site for the lower level national radioactive waste repository.

South Australia is prepared to accept this decision and work with the commonwealth government to ensure that a suitable site is located. I am advised that five possible sites in the central north region of South Australia are currently being investigated by the commonwealth for their suitability as a low level repository site. These investigations are being undertaken with full community consultation. On the issue of medium and high level waste I would like to make it absolutely clear that the South Australian government is most strongly opposed to the use of South Australia as a storage point for medium high level radioactive waste, including waste from overseas.

I would like to address the issue of collocating a medium high level waste store with a planned repository for low level waste. The commonwealth has indicated that it may consider locating a temporary above-ground store for long lived intermediate waste at the same site as the below-ground repository for lower level waste. This issue was raised in a letter I received from the Prime Minister in February 1998 in which he advised, among other issues, that the commonwealth state consultative committee had endorsed the possibility of collocating a medium high level store with a low level repository as a siting option. I responded to Senator Warwick Parer on this issue indicating that the South Australian government wished to be fully consulted on any decision process for the construction of a medium high level store.

It is worth noting that the consultative committee's original endorsement for the option of collocation was conditional on the fact that it did not delay the process of siting and constructing a low level repository. In December 1999—and this is the important point—the committee was requested to reaffirm its support for a national store for

medium high level waste. However, the committee stopped short of confirming their support for the store following the reluctance of South Australian committee members to endorse the proposal.

There can be no clearer indication of the government's policy on this issue than the introduction of legislation into this parliament confirming our opposition to the dumping of medium high level radioactive waste in South Australia. What any official may or may not have discussed as part of consultative committee deliberations is not relevant. The terms of reference for the committee are clear in that it is purely an advisory committee with no decision making power. Decisions on government policy are ultimately made in the cabinet room, not at officer level. The only cabinet decision in relation to this issue has been to endorse legislation banning the dumping of medium high level nuclear waste in South Australia.

To this extent there is absolutely no doubt about this government's policy towards medium and high level radioactive waste. With the legacy and clean-up of the Maralinga atomic tests and the siting of the low level radioactive waste repository in this state, we have the view that South Australia is carrying its share of the national nuclear burden. With Maralinga—and what we inherited in relation to that—and a low repository waste we have done our bit; it is a matter for others to do likewise.

The Hon. M.D. RANN: The Premier is stressing that government makes policy, not public servants. When you have the federal government saying that South Australia had signed off on the two dumps, it seems extraordinary that public servants would go to a federal government inquiry on something this sensitive without taking any instructions or apparently feeding back what they had agreed upon. But you, Premier, have stressed that the government makes the policy, not the public servants. So, did you, as Premier, tell the Prime Minister, in response to his letter of early 1998, that it was your government's policy to oppose the siting of a medium level nuclear waste dump in our state? We have been asking for some weeks in parliament for you to release the Prime Minister's letter and also your response to that letter. Will you do so today?

The Hon. J.W. Olsen: The leader has submitted an FOI application and it will be responded to.

The Hon. M.D. RANN: That gets back to the water documents—

The CHAIRMAN: Order!

The Hon. M.D. RANN: Do we have to wait until someone leaks it to us to find out the truth?

The CHAIRMAN: Order! The leader has asked the Premier to answer the question.

The Hon. J.W. Olsen: The leader was talking to the member for Hart when I was answering the question and, obviously, did not hear the answer. I said during my answer that, in December 1999, a meeting of the consultative committee did not endorse the proposal based on the reluctance of the South Australian bureaucrats, officials—

The Hon. M.D. Rann interjecting:

The Hon. J.W. Olsen: Yes.

The Hon. M.D. Rann interjecting:

The Hon. J.W. Olsen: I am talking about actions some time ago which have now been followed up by a cabinet decision.

The Hon. M.D. RANN: I repeat the question: you, Premier, are saying that we have a freedom of information request to you for the release of your reply to the Prime

Minister's letter informing you about the two dumps and the collocation. We have asked for you to release the Prime Minister's letter and your response. Premier, if you are fair dinkum about opposing a high level nuclear waste dump, and you say that you have been consistent all along, why do you not save the time of the FOI people, the courts and the Ombudsman, be frank and open and release the letter now so that the public can see where you are travelling on the issue?

The Hon. J.W. Olsen: The letter to Warwick Parer simply said that we acknowledged his letter to the Minister for Primary Industries and that we welcome the establishment of a consultative committee. I nominated the officers from South Australia to be included on that consultative committee and said that we would be fully consulted on the arrangements that would take place. That was the appropriate course of action. The leader seems to be wanting to misinterpret—

The Hon. M.D. Rann interjecting:

The CHAIRMAN: Order! The Premier.

The Hon. J.W. Olsen: The leader has submitted an FOI application and he will get the information that he wants.

The Hon. M.D. RANN: Why can we not have it now?

The CHAIRMAN: Order! The member for Flinders.

Mrs PENFOLD: With respect to drug use, I refer to budget paper 4, volume 1, page 1.22. Will the Premier advise what progress the government has made in establishing a drug court in South Australia and what steps have been taken to divert drug abusers into rehabilitation and out of the court system?

The Hon. J.W. Olsen: With respect to the issue of drug diversion, the Attorney-General and I announced today the establishment of a new system of diverting some offenders out of the court system and into rehabilitation. This will give police additional power to divert drug abusers into treatment and rehabilitation within 24 hours of being apprehended as an alternative to prosecution under proposed new drug diversion laws. This new system will divert people who use or possess small quantities of illicit drugs out of the courts and into treatment as quickly as possible to prevent their developing a life reliant on drugs and crime.

A major benefit of the new police diversion system is that it puts South Australia in a position now to access or receive \$9.2 million in commonwealth funding over four years, in addition to the state funding. I remind the committee that the state funding program has \$7.2 million allocated to this initiative. The new system will be far more flexible than the existing Drug Aid and Assessment Panel (DAP). The aim is to get the best long-term result for the whole community with drug abusers directed into treatment services within their local community. Interestingly, in talking to police officers involved in the drug scene, one said to me, 'For 30 years we have been trying to use the big stick. It does not always work. We must look at other innovative ways to try to tackle the drug problem.'

That is why we have put in place a range of programs in a coordinated way with the commonwealth government. This new diversion system gives the police the power to make an assessment. If a person does not successfully access the rehabilitation and assessment panel, the police have the option to proceed with prosecution. It is an attempt to make people a little more self-reliant and responsible for their own actions.

The number of people who must be referred to DAP is steadily increasing, and previously this has, in some cases, led to delays in scheduling hearings up to 16 weeks. Of course, there are further problems in country areas. A

comprehensive review is under way into the drug diversion system. Initial feedback has identified that access to the system for people living outside the metropolitan area has been a problem and the referral of Aboriginal people has been extremely low. The new police diversion system links local police with drug assessment and treatment providers and other key services, such as detoxification, housing and health. By using treatment by local services we can offer greater sensitivity to effective drug treatment for Aboriginal people and people with ethnic backgrounds.

The existing DAP system will continue to operate until the new system is in place and will continue to deal with any person who has initially been referred to the panel. The Minister for Human Services will be able to establish new panels only as service providers to take their place alongside the non-government service providers.

The introduction of the legislation is a major step in the state government's \$7.2 million commitment to an illicit drug strategy over two years. Our drug education booklet has been distributed to all householders in an endeavour to bring to the attention of parents issues that they ought to look for and monitor, as well as signs of detection, so that they might be vigilant in looking after their children's interests.

We have established a pilot drug court to try to beat the drug cycle. There is no doubt, and it is an unfortunate reality, that the prison system adds impetus to this problem: it is not a deterrent. That is an unfortunate reality. The two year drug court trial started on 1 May this year. It is located in the Adelaide Magistrates Court. Development funding totals \$540 000, increasing to \$1.5 million, with 100 people being accepted into the program each year. The program targets adults who have committed a drug-related crime and who are likely to receive a term of imprisonment. It targets those who are addicted to drugs, live in the metropolitan area and who are willing to plead guilty and comply with a case management plan.

The program includes a special effort towards developing appropriate treatment and support service for Aboriginal participants. Five people are currently participating in this program. I am advised that they are making steady progress with intensive supervision by case managers involving treatment and support services. The demand for drug court participation is being closely monitored in light of the expected increase to approximately 100 cases per year in South Australia.

I had access recently to the needle exchange program. The number of people accessing that program stunned me, not only in metropolitan areas but also, and importantly, in country and regional areas. When people say that the illicit drug trade is confined to socioeconomic groups and particular regions, they are simply wrong. This insidious drug trade is broad; it crosses all socioeconomic groups. It is a significant issue within the community, and it is one that we as a government are attempting to tackle in an innovative way, trying to add new programs to old programs so that we can try to beat the cycle of people being introduced to drugs and then getting on the treadmill. We are trying to divert those individuals off this treadmill as soon as they step onto it and rehabilitate them.

Mrs PENFOLD: Will the Premier outline the importance and the benefits of the centenary of federation visits to London in July this year by the Prime Minister and state and territory leaders?

The Hon. J.W. Olsen: A question has been raised in the House on this issue. A caller on talkback radio asked a

question about this matter, and one could be excused for believing it was not a prearranged question. I appreciate the opportunity to respond to the question today. As we know, the centenary of federation will be celebrated and commemorated throughout Australia in 2001. The Centenary of Federation Committee is preparing a range of activities and initiatives with other states and nationally to commemorate the centenary of federation. The biggest of the international commemorations will be Australia Week in London in the first week of July this year. Australia Week falls during the peak of the London millennium tourist season, and it is an opportunity to showcase our state.

I am pleased to inform the committee that we will be hosting a mini-Tasting Australia while in London to promote our food and beverage industry in one of the most important export markets. I am sure that all members will understand the importance particularly of the wine industry exports to the United Kingdom, investment that we have attracted here and the jobs and the value adding in our regional areas. The trip has strong support from South Australian food and wine companies, and I am pleased to say that, in addition to the delegation of representatives, a host of other companies will send produce and wine to the events. At last count, about 17 companies will be going, and South Australia is doing it differently from the other states. I am advised that they have asked for our program to showcase what South Australia has put together for this event.

The strong support for events such as this by the South Australian business community hopefully is an indication that our export culture, our increase in our export, our trade missions and our attendance at places such as Hotel Food Asia are really reaping dividends for businesses in this state. Our involvement in these events is important, because it sells the message of what the state has to offer and, in turn, it opens up further opportunities for our export markets. I am pleased to respond to this question while the member for Reynell is present, because she asked me to decline the invitation of the Prime Minister to travel to London because it was a waste of money and would not benefit South Australians. It gives an indication of the lack of support for a range of companies to promote South Australian produce internationally.

There is no doubt in my mind that this event will result in millions of dollars of contracts. It will be a marketing and promotion bonanza for South Australian businesses. I will be attending events related to Australia Week, which has been developed by the commonwealth government to celebrate the centenary of federation. The Prime Minister, premiers and chief ministers and their partners from all states and territories but for Western Australia will be attending. I understand the federal government will fund all on-ground costs associated with the visit. Functions that I will be attending include: the Cook Society, the House of Lords in relation to the Australia Act and the thanksgiving service at Westminster Abbey. We will also be attending business meetings where certain trade business appointments have been put in place, as well as tourism opportunities. As a major focus, we will have Tasting South Australia.

Effectively, we have decided to take a mini-Tasting Australia into major department stores in London, and it will be a major focus on food and beverage of South Australia. The fact that we have 17 South Australian companies' produce going with us will give Australia a focus. I would also hope that, as the national media will be going to this event and as South Australia has put together a comprehen-

sive and marketing program, other states of Australia will see what South Australia has to offer in the form of the food and beverage produce we can market. We still have major difficulties getting the eastern seaboard of this country to understand how South Australia has moved forward in diversification of its economy and how its export market and potential has so dramatically improved in the course of the past six or seven years. It is unfortunate that we seem to concentrate on the negative stories rather than how the diversification of the South Australian economy has achieved a pretty good foundation for this next century. This promotion will further advance that cause.

Mrs PENFOLD: Will the Premier outline additions that will boost the National Wine Centre?

The Hon. J.W. Olsen: The National Wine Centre is a major initiative of the government to showcase what we can do best. We sought to establish the National Wine Centre in this state, not to be located in the Hunter Valley or Victoria as it was clearly suggested at one stage. We are the wine capital, and it would have been untenable for the National Wine Centre to be anywhere but in South Australia. With wine exports of \$1.2 billion and South Australia contributing 70 per cent of that, it is appropriate that that centre be established here. Like the Adelaide Convention Centre, the National Wine Centre will act as a major drawcard. We see that as a magnet to bring people into the state. Therefore, you can add on regional tourism, the Barossa, Coonawarra, Eyre Peninsula, Flinders Ranges and Kangaroo Island, where people attracted to South Australia can add on one, two or three day packages. This gives us the opportunity to build regional tourism initiatives.

The original total cost estimate for the project was \$31.8 million. That has been revised to \$36.2 million. That includes—and I hasten to add this—an extra \$2.5 million allocated to the project for fitout of the wine centre and wine centre offices following receipt of federation funding; \$240 000 for an added element to stage 1 comprising the relocation of the Botanic Gardens laboratories at Black Hill to the Goodman Building and providing additional space for future expansion of the plant biodiversity centre; and the upgrading fitouts for both the wine centre offices and the wine centre itself will boost the overall impact of the project. In response to community views about car parking, the old STA car park, north of the Goodman Building, will be expanded as part of the project at a cost of \$300 000; the improvements to the car park will also link with the upgrading of Hackney Road, including now the undergrounding of 11 kV electric lines. There are other aspects, such as the rehousing of the headquarters of the botanic gardens and plant diversity centre, two derelict abandoned heritage buildings and upgrading and refitting Yarrabee. Some additional costs were incurred to protect the heritage nature of the buildings. I understand that was about \$160 000, but it was decided that, if we were doing that, it should be done properly. We have also allocated \$1.5 million for things such as increased contingency amounts, should they be required.

The Hon. M.D. RANN: I want to return to the issue of Billa Kalina, because I feel that there is still a lack of frankness on this issue. The Premier has said that he is opposed to the dump; that he has always been opposed to the dump; and that committees which have endorsed it, including South Australian committees, were simply consultative committees. That does not quite make sense because on Friday 19 November 1999 in this parliament the Premier said:

On this issue there had been no consultation with the state government by our federal counterparts. Therefore, I have contacted Resources Minister Senator Minchin today (November 1999) and his office has confirmed to us that eventually Australia will have to have a site for medium to high level radioactive waste. I have been informed that the federal government is now looking at various issues surrounding that process and that the community will be widely consulted. I have written today to Senator Minchin requesting that the state government be fully consulted on each of these issues.

You go on to say:

That debate is yet to be had.

That is in relation to the second level of nuclear waste. The point is that we know that the consultative committee made recommendations in late 1997 and that the Prime Minister wrote to you about it in early 1998 and you replied. So we have the situation today where you are telling us there was lots of consultation (although it was only consultative status) but in the parliament you said that there had been no consultation whatsoever. I hope we can take from your reply earlier that you have now made a commitment to release both the Prime Minister's letter and your reply to my FOI request. I cannot understand why it cannot be done today or why it could not have been done three or four weeks ago.

Further, in the estimates committee hearings of June 1998, the then environment minister Dorothy Kotz could not advise the House whether the state government was opposed to a medium level nuclear waste dump in South Australia. She said that it would be on commonwealth land and that it was a commonwealth process—which did not sound like opposition to me. When did your government first decide to oppose the medium level waste dump and when did you first advise the federal government of this view?

The Hon. J.W. Olsen: If the Leader had listened to my answer to his previous question, which was a detailed response to his question—

The Hon. M.D. RANN: It didn't deal with it.

The Hon. J.W. Olsen: It did deal with it. It went through a sequence of events. The leader at the time was talking to the member for Hart and was not listening to or concentrating on the answer at all. My ministerial statement was clear. In December 1999 it was not progressing in terms of collocation because South Australia's representatives on the consultative committee said so. I presume that is the reason that it was not progressed then.

The only point I can come to is that the Leader of the Opposition is peeved that the South Australian Liberal government has taken this position—forthright; unequivocal; taken it up to the federal government; put a peg in the sand and said, 'That is where we stand.'

Mr Foley interjecting:

The Hon. J.W. Olsen: Now we have the member for Hart interjecting from the background, 'He's my mate.' Well, you cannot have it both ways. The point is that we had made a policy decision: it is clear and unequivocal. Policy is made by cabinet; cabinet has considered this matter and made a decision. We have introduced legislation. It can be no clearer than that. Does the commonwealth like it? I guess it does not. Certainly, in some discussions it has put that point to me. However, this is the policy of the South Australian Liberal government. It is clear; it is specific.

As he was casting around for a peg on which to hang his question, the leader said that the former minister said something to the effect of 'commonwealth land' and 'commonwealth processes'. I think she happens to be right. It is a commonwealth process. If it is on commonwealth land,

there are no rights left to the South Australian government. The Constitution clearly indicates that commonwealth law overrides state law and during the interregnum—the period the Leader was talking about—I said on a number of occasions that we have to be realistic and understand that at the end of the day on commonwealth land it can do that which it wishes. However, we have taken the position of clearly enunciating this government's policy as it relates to a medium and high level waste repository on the basis that we do not want it here. As I indicated in my answer to the leader's question, we think we have taken our fair share of the national burden. That is the argument from the commonwealth: everyone must share the burden. If that is the case, we had Maralinga and, if that is the case, we will put in our low level repository to look after all our waste within this state. We have done our bit: someone else can do theirs.

The Hon. M.D. RANN: I move on to the omnibus questions which we want to put on notice but which we understand we can no longer follow and which is changing a tradition. Can you list all the consultancies let during 1999-2000 indicating to whom the consultancy was awarded; whether tenders or expressions of interest were called for each consultancies and, if not, why not; the reasons for each; and the cost of each? How many consultancies were let during 1999-2000?

The Hon. J.W. Olsen: Let me detail the answer to the leader's question.

- A consultancy was let to Arthur Andersen which related to GST workshops and preparation of GST impact statements, \$7 500;
- John Morris Consulting Pty Ltd, design and completion of manager development program, \$6 000;
- John Morris Consulting Pty Ltd, public sector management course—stream 2 evaluations, \$7 500;
- John Morris Consulting Pty Ltd, preparation of the performance management exit poll report, \$1 500;
- Maxima, human resource management division project, \$7 500;
- Sheppard Consulting Group, public sector management course-stream 4 report to local management group, \$6 500;
- Sheppard Consulting Group, professional services, \$4 382.50;
- Sheppard Consulting Group, public sector management course-leadership in the knowledge era, \$6 000;
- Bright Tiger Design, drug information booklet, which I assume was the one distributed to every household, \$8 380;
- HRM Consulting, review of the human resource management performance indicator framework, \$3 000;
- Leadership Solutions, public sector management course-counselling sessions/career guidance reports/people management, \$6 500;
- Leadership Solutions, counselling sessions/career guidance report, \$3 350;
- Jill Gael, facilitation of government management framework planning, \$1 500;
- Gunzburg Consulting, public sector management course-leadership in the knowledge era, \$6 182.28;
- Beston Pacific Corporation Ltd, financial and corporate advisory services, \$9 843.29;
- Aspect Computing Pty Ltd, maintenance of the notice of vacancies system, \$204.00;
- Morgan & Banks Ltd, cabinet office planning day assignment; Mount Lofty Range projects, \$4 444;

- D.J. Turner, Centre for Lifelong Learning and Development, \$3 750;
- Optimum Consulting & Training Services, preparation and presentation of a seminar on 18 November 1999, \$1 000;
- HRM Pty Ltd, public sector management course—people management, \$6 000;
- Eam Consulting, evaluation framework for Leadership SA initiative, \$4 500;
- Pollack Partners, executives database amalgamation Project, \$3 300;
- William M. Mercer Pty Ltd, executive remuneration benchmarking project, \$2 000;
- System Services, five days analysis, design and specification of project management training, \$2 425;
- McGuirk Management Consultants, career counselling, \$1 000;
- Words Pty Ltd, editing Statement of Economic Directions, \$1 300;
- SA Tour Promotions Pty Ltd, United Nations submission, \$500;
- Joint Impact, PSMC—Resource management, \$6 000;
- Mark Coleman, PSMC—Stream 3, \$7 000;
- OPTIMA Management & Training Pty Ltd, PSMC—Module planning and managing outcomes, \$7 200;
- Petersen Flanagan, PSMC—Professional services \$875;
- Ethos Australia, analysis of health industry cluster/ACC (Adelaide City Council) development program, \$7 000;
- Nick Crane, Capital City Committee annual report, \$650;
- Planet Software, Department of the Premier and Cabinet, E-courier pilot project \$4 800;
- PriceWaterhouseCoopers, risk management consultancy for Click, \$14 080;
- United Focus Pty Ltd, development of a set of strategic directions and workshops for the Centre for Lifelong Learning and Development, \$35 765;
- South Australian Centre for Economic Studies, consultancy: 'Definition used for boundaries between country and metropolitan', \$36 900;
- Carey Management Consultants, competition commissioner determinations and assessments, \$41 500; and
- Rod Williams, Legislative Review project, \$39 006.31.

That is related to competition policy and the South Australian government's requirement to meet competition policy guidelines, as set down by the member for Reynell's former federal colleagues on COAG principles, which require us to meet certain competition requirements—

An honourable member interjecting:

The Hon. J.W. Olsen: —the honourable member might like to go back and look at that—and which continue to be endorsed.

An honourable member interjecting:

The Hon. J.W. Olsen: No. It was put in place by the member for Reynell's colleague, Prime Minister Keating, and we have to meet that requirement. Failure to do so will put at risk competition payments to the states. The honourable member might recall that, in fact, when Queensland wanted to dam a range of tributaries the national competition commissioner indicated that it would be penalised if it went ahead.

The Hon. M.D. Rann interjecting:

The Hon. J.W. Olsen: I think it was 28 dams through a range of tributaries leading into the Murray-Darling Basin system. As a result of the competition commissioner nominat-

ing—and I forget how many millions was at risk to the Queensland—

The Hon. M.D. Rann interjecting:

The Hon. J.W. Olsen: I did not think it was quite as high as that, but it was a very substantial sum—the Beattie government decided not to proceed with the 28 dams on tributaries, thankfully, because that would have had an impact against us. So, this legislative review project is particularly important to safeguard those payments to us.

The next consultant on the list is HLB Mann Judd Consulting, and the purpose was an OMA review. That was related to a competitive neutrality review where, from time to time, objections are taken from the private sector. With respect to interpreting and translating services, there was an objection that it was unfairly competing with the private sector. We then had to go through a process under competition principles to check that. Therefore, the review, at a cost of \$29 000, was for the purpose of checking that the interpreting and translating services were not breaching competition principles.

The Hon. M.D. Rann interjecting:

The Hon. J.W. Olsen: We have to go through this process—

The Hon. M.D. Rann interjecting:

The Hon. J.W. Olsen: Yes, if someone independently and as a third party triggers a complaint—

The Hon. M.D. Rann: They think they are above government. They should report to COAG rather than—

The CHAIRMAN: Please cease this discussion.

The Hon. J.W. Olsen: I will continue with the list of consultants, as follows:

- The Write Connection, speech writing services on a consultancy basis, \$40 000.

The Hon. M.D. Rann interjecting:

The Hon. J.W. Olsen: The Write Connection.

The Hon. M.D. Rann interjecting:

The Hon. J.W. Olsen: Yes, it is. This relates to services for the 1999-2000 year. Let me add, by way of explanation, that that was for the period at the start of the financial year and flowing over from the previous financial year. In recent times, The Write Connection has not prepared any speeches for me—and that has been the case for some time. I just wanted to add that before the Leader of the Opposition became excited. I am not quite sure why he would, but he seems to—

The Hon. M.D. Rann interjecting:

The Hon. J.W. Olsen: That is the only other one that excites the Leader of the Opposition—Geoff Anderson.

Ms Thompson interjecting:

The Hon. J.W. Olsen: The member for Reynell just demonstrates her absolute ignorance. She says that Premiers should write all their own speeches. I do not know which shower she came down in, but the simple fact—

Ms Thompson interjecting:

The CHAIRMAN: Order! The Premier will answer the question.

The Hon. J.W. Olsen: The level of ignorance displayed by the member for Reynell knows no bounds; that is all I can say. She might learn one day—although I suppose that will disappear at the next election, because she will not have the opportunity. The list continues as follows:

- Arthur Andersen, salary packaging, taxation and related services, \$15 823;
- Supply SA, fee for services for procurement process for salary packaging, \$12 240;

- Morgan & Banks Ltd, completion of assignment for the Office for the Commissioner for Public Employment, \$11 200;

- Leadership Solutions, appraisal of testing and report; purchasing benchmarks and questionnaire kits \$39 460;
- Management and Research Centre (MARC), first line management programs, \$37 800;
- Customedia Pty Ltd, provision of independent media advisory services, \$15 975; and
- Michels Warren Ltd, following up on the business migration story, \$10 595.16.

The Hon. M.D. Rann interjecting:

The Hon. J.W. Olsen: No, it is not that at all.

- Rann Communications, media monitoring, \$13 139.40.
- I do not know whether the leader wanted to question that one.

The Hon. M.D. Rann interjecting:

The Hon. J.W. Olsen: Take that one up.

- Ernst & Young, feasibility study—Le Mans race, \$12 000.
- I understand that that was the business case economic study.

- Pollack Partners, review of assignment control system, \$19 800;
- Arthur Andersen, review of sponsorship for GST, \$28 500;
- Network Plus, a contract for IT support for Figtree, which is the occupational safety, health and welfare management system, \$17 100, and a second amount of \$8 625;
- Sheppard Consulting Group, Leadership SA selection process, \$100 313.75;
- A.T. Kearney Australia Pty Limited, review of the future of the Australian automotive industry, a \$185 000 consultancy, the purpose of which was to have international experts look at the automotive industry and give some guidance in terms of policy determinations;
- Rocorp Pty Limited, Business Vision 2010, \$92 000;
- Ernst & Young, GST implementation for period ending 9 March 2000, \$92 284;
- Innovative People Solutions, Development Centre Facilitation, \$154 400;
- TMD Management Pty Limited, Director, Production and Logistics for the Millennium Click Event, \$40 000;
- Migration Museum of South Australia, the Federation Travelling Exhibition 'One people, many stories', \$198 000; and
- Syd Howard Fireworks International, for the Click Event, \$90 000.

The following are contracts entered into in 1999-2000 but as yet to be paid:

- Winter Consulting, workshop for senior management group, contract for \$3 000;
- Winter Consulting, survey project of executives in SA public sector, contract for \$3 500;
- Pollack Partners, GST compliance for Interpreting and Translating Centre—system enhancement, contract for \$6 000;
- Myers-Holum International Pty Limited, GST compliance for Interpreting and Translating Centre—Interface to Masterpiece, contract for \$12 600;
- Rising Sun, design brief, contract for \$9 820;
- Marketing Arm, oversee/coordination of state budget communication strategy, contract for \$20 000; and
- Weslo Crowd Control Pty Limited, security arrangements, contract for \$54 402.

The Hon. M.D. RANN: Noting that the head of the Department of Premier and Cabinet has announced his impending resignation from that position, and given his

statement that his decision was right 'in the electoral cycle', which I found quite interesting, will the Premier assure us that his replacement will not be put on a contract of employment beyond the next election and, if not, precisely what would be the terms of severance for Mr Kowalick's replacement after the next election? Will the Premier disclose these matters in full to the taxpayers of South Australia before any appointment is made?

The Hon. J.W. Olsen: The details of the contract for the replacement CEO of DPC have not been finally determined. I would envisage that it would run the normal gamut for most senior management positions, which is now in the range of three to five-year contracts. They have different termination provisions within those contracts.

Members will have noted that the difficulties that were inherited and experienced in some contracts are not being incorporated in any future contracts, and that some of the significant payouts that we were obliged to comply with as a result, in many instances, of long-term but inherited contracts are not the basis upon which we are now entering into contracts with CEOs of departments, that is, the Senior Management Council of government.

The Hon. M.D. RANN: Given an impending election, do you think it would be useful to let taxpayers know in advance what the severance payment will be upon a change of government?

The Hon. J.W. Olsen: I can dispel the rumour that the position is going to Jeff Kennett, if that is worrying the leader; nor will it go to Geoff Anderson. This position will be awarded on merit and will be on the basis of the capabilities and attributes that the person is able to bring to the job. It might take some time to fill that position. In the meantime, Mr Kowalick has agreed to continue in that role, pending the identification of a suitable replacement.

[Sitting suspended from 1 to 2 p.m.]

The Hon. J.W. Olsen: Earlier today we discussed consultancies. It has come to my attention that one payment that was not on the list related to Westpac, on BHP Whyalla and changes. I understand that it is not on the list because the account has not yet been received, or paid. However, I will ask my officers to check the detailed list I have given and, if there are others that need to be advised, I will let members know.

The Hon. M.D. RANN: I note that nearly \$4.5 million is to be spent on the government's so-called communication strategy (media unit coordination and advice budget, paper 4, page 1.7). I am not sure whether that budget line includes the cost of the Directions for South Australia campaign: I presume that comes out of Department of Industry and Trade.

I know that some concern has been expressed about the Directions SA campaign, about the involvement of government funding to pay for a Channel 9 reporter to be flown over at government expense to cover the announcement of the Petit Le Mans race in Atlanta, and I think that there was also payment for a trip to Japan. Leaving that aside, because that may come under DIT, I note that Chris Kenny has now formalised his relationship with the Liberal Party and the government by leaving the Nine Network and working for what I understand one adviser described as 'a pamphlet writer for the Premier.'

What are Mr Kenny's job specifications and what is his total remuneration package, including the use of vehicles, mobile phone, entertainment expenses and access to govern-

ment credit cards? I ask particularly because I would like to know how long the contract is for. Also, given Mr Kenny's large package, why is he now advertising for two communications specialists to work for him? What will their jobs be? Why are they needed and why cannot their work be undertaken by the million dollar media unit that the Premier now has in his department?

The Hon. J.W. Olsen: Mr Kenny takes the position of Steven Duffield, so he fills a vacancy; it is not a new position. The purpose of establishing coordination across government, as I previously announced, was for the purpose of putting in place some savings. For example, the Multimedia Agency Agreement has been negotiated and signed off by that small unit. That agreement provides the South Australian government with a single point of contact for the supply of all advertising.

The services are provided over a three-year term and the contract is negotiated for each of those three years. As to the result of the tender process to select a new supplier for advertising services to the government, a tender call was put in place, and significant savings have been achieved. Over the three-year period of the agreement, the savings to the South Australian government are estimated to be \$13.5 million. The total expenditure on advertising for running a whole series of tender ads across government agencies and the like is of the order of \$55 million. During the course of its negotiations, that particular unit has been credited with savings on a three-year time line of \$13.5 million over that which we would have previously paid.

The Hon. M.D. RANN: I have a supplementary question. The Premier did not answer my question about Chris Kenny's advertising for two assistants. What will their job be? These two communication specialists are to be employed on contract for 'up to two years' so I asked what was the length of Kenny's employment contract and what are his severance conditions. I congratulate the government on its courage in employing Chris Kenny after what he said, namely, that what the state needs is the same thing that the Liberal Party and the parliament needs—a dignified exit for the Premier. He said that the government's stocks are so bad now that it is highly unlikely that any potential challengers to the leadership would want the job.

The CHAIRMAN: Order!

The Hon. M.D. RANN: He went on to say that doubts about the effectiveness—

The CHAIRMAN: Order!

The Hon. M.D. RANN:—of the Olsen government now exist all the way up the political food chain. All I am asking—

The Hon. J.W. Olsen: The leader is grandstanding.

The Hon. M.D. RANN: That is what you did before. I am simply asking the Premier to say what is the remuneration package of Chris Kenny: how much is he being paid, what are the severance conditions, what is the length of his contract and why, within weeks of being appointed, is he advertising for two communication specialists?

The Hon. J.W. Olsen: The Leader of the Opposition should calm down for a moment. If we get rid of the political rhetoric and get to the substance of the question, I am happy to answer it. If the leader watched Channel 7 last night he would know what the remuneration package is. It is out in the field and it has been well publicised. It is not a state secret.

The Hon. M.D. Rann interjecting:

The Hon. J.W. Olsen: The leader must have had some raw meat over lunch because he is more aggressive than he

was this morning. It is \$115 000. There are no benefits beyond that which are not ordinarily encompassed. That is, there are no special payout benefits. It is for the life of the government, and I suppose that could be the next six or seven years.

Mr LEWIS: My first question concerns staff members for ministers appointed by the Premier and for the Premier himself. Across time during the period for 31 March 1980, March 1990 and March 2000, for the number of people employed as staff in each of the ministerial offices, including the Premier's, in three categories, that is, media advisers, policy advisers and all others, including drivers, will the Premier say what were the total salaries paid in each of those categories in real dollars at the time and adjusted in the second instance to March 2000 dollars so we have realistic comparisons? I am not looking for individual salaries but the bottom line totals, the quantum. If the Premier does not have that information to hand, I am happy to get it from him later.

The Hon. J.W. Olsen: As the member for Hammond indicated, I do not have the March 1980 or March 1990 figures. I could possibly respond to the March 2000 figures but, if the member wants a comparison of the three, I will take that question on notice and get some officers to go through the annual reports and attempt to get the answer.

Mr LEWIS: As part of that exercise, will the Premier provide for us the capital cost at replacement value, or whatever other yardstick he specifies, of all the media monitoring equipment, if any, that is presently owned by government ministers, including the Premier's office, the Leader of the Opposition in the House of Assembly, the Leader of the Opposition in the Legislative Council, the Democrats, SA First, No Pokies, National Party and the independents? Will he say what is the value of any equipment of the same kind owned by the library? My point is that we have duplicated a lot of equipment around government for the benefit of access by members of parliament but, the way software is these days, it would be more sensible to have one central media monitoring unit, to which all members of parliament could get access at all times of the day using PIN numbers or whatever, provided through the library of the parliament. Media advisers and staffers anywhere could download that information as they needed it for whatever purpose they may wish to use it. Hence the reason for the question.

The Hon. J.W. Olsen: I can attempt to ascertain the information as it relates to government and Premier and Cabinet. The Leader of the Opposition is given a global budget each year to operate on. I am unaware and I do not have details of the expenditure of the Leader of the Opposition, other than giving the Leader of the Opposition a global budget. Therefore what equipment he might or might not have in terms of media monitoring—

The Hon. M.D. RANN: Carrier pigeons.

The Hon. J.W. Olsen: No, the carrier pigeons were in the Bannon Government days: of that I can assure the committee. The support services the current opposition gets compared with what one had to persevere with not so long ago are light years different, and even the leader would not begrudge that statement. As it relates to some of the others, we can get through the legislature what the library might or might not have. As to other individual members of parliament, I have no information that I can access. It would be a matter of their responding to the member for Hammond's questions. Where I have access to information, I will get that information as soon as I can.

Mr CONDOUS: I refer to budget paper 4, volume 1, Portfolio Statements, page 1.22. Listening to community views and concerns is important in order to ensure that government policies do not impact negatively on South Australia's regional areas. How are community cabinet meetings achieving this goal of listening to the community and at what cost?

The Hon. J.W. Olsen: We have had in place now for some time country—

The Hon. M.D. RANN: 'Liberal listens'.

The Hon. J.W. Olsen: No, we have functions that people come to. Holding community cabinet meetings in country and regional areas is a deliberate policy that enables us to visit a range of areas. It is not only the ministers but also the heads of government departments and agencies who attend. What we have found to be invaluable is that community groups have access directly to departmental heads as well as ministers on issues that affect them and their communities. During the course of this year, 11 community cabinet meetings will be held in regional and metropolitan areas, and by 'metropolitan' I talk of the meeting that was held at Noarlunga. In contrast, I understand the Leader of the Opposition has committed his party to six regional meetings.

The government is active in visiting country and regional areas. As a comparison with what occurs in other states, New South Wales does not have a program of visits (although I note that in recent months that they have had a visit or two); Victoria has four to five visits per year with the Premier, ministers and advisers attending; Queensland has 15 per year attended by the Premier, ministers, directors-general and ministerial advisers; South Australia has between 10 and 12 per year attended by the Premier, ministers, chief executives and ministerial advisers; Western Australia has five attended by the Premier, ministers and one official for each minister; Tasmania has 12 attended by the Premier, ministers, chief executives and ministerial advisers; the Northern Territory has between 18 and 26 such meetings attended by the Chief Minister, ministers, ministerial advisers and, depending on distance, a number of advisers.

These visits impact positively on a community and provide the community with an opportunity to speak directly to government ministers and departmental chiefs. They also provide cabinet with an overview of how a region is developing and how policy decisions will impact on rural communities and, of course, they inject some activity into the local economy.

The average cost per cabinet meeting for the Department of the Premier and Cabinet is approximately \$13 200 but it should be kept in mind that this money is spent in local communities. Between July and December last year, four regional community cabinet meetings were held in Clare, the Barossa Valley, Waikerie and Millicent. This year, a further four community cabinet meetings were held in Mount Gambier, Noarlunga, Ceduna and Peterborough, and the next meeting will be held in Loxton next week. A further six meetings are scheduled between July and December in Whyalla, Victor Harbor, Port Pirie, Tea Tree Gully, Gawler and Adelaide.

The cost of the Clare cabinet meeting was \$5 405; the Barossa Valley, \$14 265; Waikerie, \$7 170; Millicent, \$22 215; Mount Gambier, \$14 675; Noarlunga, \$11 925; Ceduna, \$17 400; and Peterborough, \$12 130—depending on the distance travelled and whether one or two nights' accommodation is required. These community cabinet meetings are invaluable because they provide the government

with a better appreciation of local issues and, by having a better appreciation, obviously and logically, better policy decisions are made.

Membership:

Ms White substituted for Ms Key

The Hon. M.D. RANN: At page 1.45 of the budget paper, are we to understand that revenue for the promotion of this state (that is, promotion through the media) has been doubled this year from \$1 million to \$2.1 million? We note that in 1997 the Premier reorganised his media unit by reducing the number of media advisers from 13 down to about half a dozen and formed a central media unit. The Premier said that this was done to improve efficiency and to save the taxpayer money. Indeed, in July 1988 the Premier noted that the cost of employing media advisers under the new unit had been reduced from more than \$760 000 to \$512 000.

In the past two years the number of media advisers has grown like topsy and there are now more media advisers—14—than under the original regime. The salary bill alone has jumped to well over \$1 million. Can the Premier explain, in the light of what he told us in 1997 and 1998, what has happened to the sufficiency drive and the justification for this blow-out in the numbers in the media unit? What on earth are they all doing?

The Hon. J.W. Olsen: Let me just correct a couple of points. The leader's previous question—

The Hon. M.D. Rann interjecting:

The Hon. J.W. Olsen: I will pick that up in a minute, I am just responding to the last question you asked in relation to directions. The statement was made about the Channel 9 'Directions' program. That comes out of the Department of Industry and Trade. The 'directions' statement is a product of the Department of the Premier and Cabinet. Whilst they are called 'directions' there are two quite separate components to it.

In relation to the comment about the number of press secretaries now termed 'media advisers', the Leader would recall in his days when there were 13 ministers the premier of the day had two or three and each minister had one, 12 in all for the Ministers. So the broad introductory remarks of the Premier that there are more now than applied then is not a statement of fact. You go on to say—

The Hon. M.D. RANN: You're the Premier, I'm the Leader of the Opposition.

The Hon. J.W. Olsen: There are currently eight media advisers in the Premier's office of which there are two for the Premier.

The Hon. M.D. RANN: How many are there in the media unit?

The Hon. J.W. Olsen: In the media unit? There are eight media advisers who service the ministry, in total 14. There are two media advisers attached to my office; there are 10 in total: eight for the ministers, two—

The Hon. M.D. Rann interjecting:

The Hon. J.W. Olsen: No, that is not related to the media unit in my office.

The Hon. M.D. Rann interjecting:

The CHAIRMAN: Order! The Leader of the Opposition has had the opportunity to ask a question.

The Hon. J.W. Olsen: Let me repeat my answer to the previous question as it obviously escaped the Leader. The fact is that he replaces Mr Stephen Duffield. That looks after a number of government functions—central coordination—of

which one is the multi-media agency account. That is the unit that is saving, on a three year contract, \$13.5 million. That might not figure into the kind of picture the Leader is wanting to paint, but it is a statement of fact. The contract now entered into is a saving of \$13.5 million. That is a separate unit—and distinct from the eight media advisers that service the ministry and the two media advisers that serve the Premier's office.

The Hon. M.D. RANN: It says here \$1 million to \$2.1 million. It has doubled.

The Hon. J.W. Olsen: That includes such things as the contribution to SA Great which are factored into that line. There are other factors that are included into that line.

The Hon. M.D. RANN: You are doubling expenditure in one year. Are we to understand that Chris Kenny will not be involved in political work?

The Hon. J.W. Olsen: Chris Kenny will be involved in a range of work. Principally, he heads up the unit that was previously managed by Stephen Duffield, and his job description and function are consistent with that position. Further, there are not two new positions at all: two vacancies are to be filled.

Ms WHITE: My question refers to page 1.5 of budget paper 4, which lists the establishment of the Centre for Lifelong Learning as a major highlight of the 1999-2000 budget. A brief mention is also made in support of the centre in budget paper 2 at page 4.10. Last year in estimates the Premier told the committee that the centre had a budget of \$1.3 million and that half that amount (\$650 000) came from education and half came from the Premier's budget. Budget paper 4, page 9.31, lists an amount of \$650 000 as budgeted and spent in 1999-2000 against Premier and Cabinet, but there is no allocation for 2000-01. What is the budget for the Centre for Lifelong Learning in 2000-01, from which portfolio budgets is the money allocated and in what proportions?

The Hon. J.W. Olsen: I am advised that funding of \$1.3 million per year has been approved for the centre to 30 June 2003. The objectives of the centre are: to promote lifelong learning; increase the amount of formal and informal learning in South Australia; investigate barriers to learning; implement a range of projects to advance lifelong learning across rural and urban South Australia; provide leadership, advice and support to individuals and groups interested in becoming involved in lifelong learning; assist communities to identify lifelong learning needs; understand their educational landscape and strategic policy programs as it relates to lifelong learning; and provide strategic advice to all levels of government about issues pertaining to lifelong learning.

That centre has become recognised nationally and internationally as a leader in advancing lifelong learning and skills development programs. It conducts seminars aimed at advancing the understanding of commitment of lifelong learning amongst leaders. The centre has presented a series of successful science and designer lifestyle public lectures in cooperation with the Centre for Applied Philosophy at Flinders University. It has developed partnerships with key state, national and international organisations (OECD and UNESCO), as well business, government and other educational institutions and universities.

The centre has assisted the national training authority in the development of a national marketing strategy for skills and lifelong learning; presented keynote speeches on lifelong learning to national and state conferences; completed a review of the international handbook on lifelong learning;

advised on the development of learning centres for the community of Mawson Lakes, the City of Marion and the Papakura Council in Auckland; and assisted with initiatives in a number of other areas, such as Salisbury, Clare, the Gilbert Valley, Coonalpyn and Onkaparinga.

Ms WHITE: The Premier may have missed the second part of my question: from what portfolios does that budget emanate? Is it all within Premier and Cabinet or is part of it from education? Who is paying what?

The Hon. J.W. Olsen: The fully appropriated amount of \$1.3 million over three years is through the Department of Premier and Cabinet.

Mr CONDOUS: With respect to budget paper 4, volume 1, Portfolio Statements page 1.22, what contributions has the government made to ensure the long-term viability of the Murray-Darling river system?

The Hon. J.W. Olsen: As the honourable member would know, ensuring the long-term viability of the Murray-Darling river system is a key priority for the government. To this end the South Australian government contributes to a number of programs aimed at improving the health of the state's water supply. We have demonstrated our commitment to addressing the considerable problems concerning the Murray River by providing significant funding and resources to a range of programs that have either been endorsed by the Murray-Darling Basin Commission or, in fact, been put in place by agencies of the South Australian government.

Funding for the programs can be put into three distinct areas. Under the Murray-Darling Basin initiative, Murray River Water, South Australia contributes 24 per cent of the cost of operation of the Murray River, the Lower Darling and major storages operated by the Murray-Darling Basin Commission. In return, South Australia receives a guaranteed entitlement flow and a share of the available additional water resource. In the year 1999-2000, South Australia contributed \$7.046 million; the commonwealth contributed \$4.404 million; New South Wales, \$11.810 million; and Victoria, \$10.619 million. For the next financial year (2000-01), South Australia will contribute \$8.341 million; the commonwealth, \$5.986 million; New South Wales, \$13.901 million; and Victoria, \$12.511 million.

With respect to the Murray-Darling Basin initiative, the Basin Sustainability Program, the Murray-Darling Basin Commission coordinates a major program of investigations and strategy and policy development, which supports the management and protection of natural resources across the whole basin. Last year South Australia contributed \$4.588 million. Next year we will contribute \$5.097 million. I will not go through the contributions from the other states and the commonwealth; I can supply those details if necessary. The third program is the Murray-Darling 2001 program, which operates under the Natural Heritage Trust and is jointly funded on a bilateral basis by the states and the commonwealth.

This five-year program emerged as a result of the South Australian initiative to improve the health of the Murray River and was due to finish in 2000-01. The commonwealth has agreed to extend the program into 2001-02 at a reduced level of funding. Last year South Australia contributed \$4.1 million; next year it will contribute \$3.9 million. Last year the commonwealth contributed \$51 million and a further \$45 million is proposed. In respect of total funding for the Murray-Darling, River Murray Water, Basin Sustainability Program and Program 2001, last year South Australia contributed \$15.734 million and next year we will contribute

\$17.338 million. It should be noted that, in addition to the financial contributions to which I have referred, state agencies, such as the Department for Water Resources, PIRSA and SA Water, provide significant staff and overhead commitment to the Murray-Darling Basin management programs. Key programs under that initiative include salinity management, environmental flows and problems associated with the Murray Mouth. So, in addition to the proposed more than \$17 million those other programs are also contributed to substantially by resources within agencies in South Australia.

Mr CONDOUS: How has the government sought to raise the national profile of Murray River issues?

The Hon. J.W. Olsen: This is a pretty important issue. It is fair to say—and I have said this publicly before—that there is no more important economic and environmental issue facing this nation than the whole Murray-Darling Basin system and its management. Therefore, we sought to raise as a national profile the plight of the Murray River. It was founded on the recognition of the positive steps made in the past 10 years but with a clear recognition that we have not gone anywhere near far enough to overcome the problems that we face. There is no doubt that a cooperative national approach to the issue is vital to ensuring the long-term viability of the state's most precious asset. To this end, my government made strong representations to the Prime Minister to obtain his agreement to have the long-term viability of the Murray discussed at the next COAG meeting. The Prime Minister has agreed to that. It is the first time that it has been listed as a priority issue for COAG, at which all states, territories and the commonwealth government will be present. I would argue that that has been a significant victory.

A date after the Olympics was suggested for COAG, and I have written to the Prime Minister suggesting that the end of this year is not suitable, and that we ought to be bringing forward the COAG meeting. Hopefully, we will be able to get a date that suits the Prime Minister and the Premiers to bring that forward. On 7 April, this issue was raised at a meeting of COAG officials which in this instance was represented by the head of the Department of Premier and Cabinet, indicating our concern for the issue that the most senior public servant in the state attended as a senior official. That meeting acknowledged that the long-term viability of the Murray-Darling Basin needs the attention of heads of government and it needs long-term strategies.

A high level group has been established to develop recommendations, including funding priorities for COAG consideration later this year, whenever that meeting is held. That group of officials is looking broadly at national resource management issues but will focus on key issues of river health and salinity—both significant in relation to the Murray-Darling Basin. This outcome is proof that it is now on the national agenda in a pretty substantial way.

We also successfully sought the inclusion of South Australia in negotiations related to the corporatisation of the Snowy Mountain scheme and, therefore, the environmental flows down the Snowy River. Our goal is to ensure that negotiations relating to the corporatisation of the Snowy Mountains Hydroelectric Authority and returning environmental flows to the Snowy do not adversely affect the quality, quantity and timing of flows to this state.

Although the government's preference is to resolve these issues on a collaborative base with other jurisdictions, the state is examining legal options at our disposal, should negotiations fail to secure maintenance of existing quality,

quantity and timing of those flows. We will continue to press this issue strongly.

I note that on the weekend the federal minister released the draft environmental statement as it relates to the independent and Victoria's wish that 28 per cent increase flow go down the Snowy. Within the next six weeks we will be responding to that. Cabinet will give consideration to a paper hopefully within the next three to four weeks as to what our response would be to that environmental assessment that is being put in place by Senator Hill.

Mr CONDOUS: I refer to budget paper 4, volume 1, Portfolio Statements (page 1.22). Will the Premier outline the state's bold initiative to develop the country's first interstate migration program?

The Hon. J.W. Olsen: This is an initiative on which the member for Hart has inaccurately commented on publicly. As been reported, we have embarked on an interstate migration program, and it is a simple one to dramatically lift the number of skilled workers choosing to make South Australia their home, particularly in those occupation bases where there is a substantial skills shortage and we cannot bring them back home and it cannot be met in the short-term by our existing people. The evidence is clearly there: the figures last month showed that skilled vacancy levels in South Australia had risen by 36 per cent for the 12 months to May. If the number of skilled vacancies has risen by 36 per cent, we need to be doing something about getting the appropriate skilled people available to fill those positions. This is compared to a national increase of 17 per cent for the same period.

Skilled vacancies in South Australia have gone up 36 per cent, whereas the national average is but 17 per cent. That is why we put in place the Bring Them Back Home strategy, which is aimed at attracting back to this state South Australians who have left. The skilled workers from the eastern seaboard have the skills that South Australian businesses and industry want and want now, and we cannot fill those vacancies within the state.

To that end, the National Key Centre for the Social Application of Geographic Information Systems has been commissioned to conduct a study. That centre, headed by Professor Graham Hugo, is recognised as the preeminent demographic research centre in Australia. Its study will identify where our graduates are, what states need to be started and what steps need to be taken to attract back home not only our graduates but also skilled workers.

The reality is that we have this skilled shortage in a number of sectors. If we do not meet those shortages, it will inhibit further private sector capital investment in this state, and it has been made very clear to me by a number of national companies that one of their first priorities is an available, skilled work force. If you do not have an available, skilled work force, they will simply go and put the investment where that work force is. We have a number of shortages. What we want to do is facilitate a match for a skill base from a former South Australian to a shortage that is there now.

In the meantime, steps have been taken in the universities to increase the number of home-grown talent. The reality is that demand is always certain to outstrip supply. We want to be the first to introduce such a scheme. So far, there have been more than 200 inquiries, mainly from parents in South Australia whose children have left but would wish them to return. The biggest number of interstate inquiries have come from Sydney, so there is certainly interest and potential there to attract those people back to the state. The benefit to that is that the more you have in population gain, the more property

values can increase. As we have seen yesterday or today, the *Advertiser* reported that property values are increasing. If property values increase through population gain and further demand in the economy, everyone will be a beneficiary with asset values increasing. We have seen residential property increase in value by about 9 per cent in the city and 8 per cent in the country. So, as a result of economic policies that have been put in place over the past six years, everyone is now substantially better off. That *Advertiser* article summarised that pretty well.

The Hon. M.D. RANN: I refer output class 2, budget paper 4, Vol. 1 (page 1.4). The problems of providing both the skilled work force for the private and public sectors, to which the Premier has just been referring, and of attacking youth unemployment obviously are very high on all our agendas. South Australia has fought long and hard to prevent a complete commonwealth takeover of TAFE, and we have the best TAFE system in the country.

Unfortunately, there have been real concerns that since that time the commonwealth has introduced a user choice into vocational education and training which has not only resulted in more flexibility but also increased the opportunity for some unscrupulous employers to rot the system. Unfortunately, there is growing evidence, both here and interstate, that the number of trainees in some companies is increasing at a faster rate than the number of new employees, raising the suspicion that existing employees are merely being redesignated as trainees so as to attract thousands of dollars in government subsidies. In fact, it has been alleged that some major companies have in excess of 50 per cent of their shop floor employees deliberately, but falsely, designated as trainees. The level of youth unemployment has not come down at anywhere near the rate we should be seeing if traineeships were going to new, additional employees.

Despite all these concerns, of which I know the Premier is aware—because the Under Treasurer has made them clear in a memo to the Treasurer—the government chose in the budget to slash the youth public sector traineeship scheme, a direct employment scheme, by \$16 million from 1 200 places down to 500. It was widely acknowledged in a bipartisan way that that scheme worked but it has been cut from 1 200 places down to 500. That scheme, which was started under Labor and, to his credit, increased in size by Minister Bob Such, has achieved a cross-section of support in the community as it has achieved permanent employment outcomes for about 70 per cent of the young people involved in the scheme. That is certainly considered a very good success rate.

Instead the government has now channelled \$15 million into the controversial commonwealth new apprenticeship and traineeship scheme, which includes the user choice option that is now creating so much concern both here, in Victoria and in other states, and led to a number of inquiries. In late October 1998, a memo was sent to the then Director of State Development Policy, Mr Peter Lockett, regarding the achievement of the Premier's Partnership for Jobs. The memo states:

The state government was particularly supportive of the continuation and expansion of the state government traineeship scheme with at least 2 400 additional traineeships in the public sector over the next two years; the expansion of the small business employer incentive scheme with an additional 1 500 trainees to be funded under the program; and expansion of the community at work scheme to fund eight to 12 projects in regional South Australia.

The letter continues:

The jobs partnership was particularly influential in the government's decision to continue the traineeship scheme and increase the number of trainees in the state public sector. The partnership recommended to the South Australian government that this program be retained and expanded on many occasions.

What advice did the Premier receive from the Commissioner for Public Employment or his officers in relation to the success of the public sector youth traineeship scheme; and why did he support a cut to the scheme given his minister's statement last year that the scheme 'represents a significant achievement and highlights the commitment of government to the creation of jobs as its No.1 priority'.

The Hon. J.W. Olsen: I was trying to work out where the leader was actually going to link the question to the budget line. We got there in the end through the Office for the Commissioner for Public Employment. The questions the leader asked would be more appropriately asked of the Minister for Education and Children's Services and the Minister for Employment in a subsequent budget session. As the leader rightly points out, there has been increased funding in other areas to meet the take-up demand. The number of apprenticeships and traineeships has gone from 6 000 to almost 29 000. That has put additional cost pressures into the TAFE system, as I understand it, and that is the reason for some \$15 million and a forward commitment for three years. So it is an actual allocation of \$45 million, which is \$15 million in the first year and subsequent years, to meet the expanded demand as it relates to apprenticeships and traineeships across the board. There has been what you would call an explosion in the number of people in that category.

In relation to changes to the scheme, we start on 1 July with some changes. If there are some larger companies taking the spirit of the program and extending it, then the scheme that will operate from 1 July will keep to the spirit of the program. In the next year, the spirit of that program will be met by the conditions that will be applied from 1 July onwards. In addition, as it relates to the age profile and composition of the public sector, this matter was brought to my attention several years ago. We sought to correct what was an outcome of policies of the former government and current government relating to the reduction of the size of the public sector.

In reducing the size of the public sector we have seen develop a significant aged skew in the public sector. Of concern to us was, 'Where will tomorrow's managers come from within the public sector?' Therefore, we put in place a program of recruitment for graduates to encourage young graduates to seek to undertake a Public Service career. So we brought that talent in to meet what will be the emerging needs of the public sector in the future. The traineeships within the government, of course, have been successful—successful in the high percentage who are able to obtain full-time employment post their training period. That is to be welcomed.

But it is a matter of managing resources and priorities across government. We have attempted to address the age profile of the public sector and we have done that in a constructive way. In the current year we are still recruiting graduates to come into the public sector. Of the 600 graduates intake, the progress as at 30 April indicates a total of 211 requests for graduates were received by the Office for the Commissioner for Public Employment. Of these, 127 graduates have been placed into agencies and 84 requests are currently with agencies pending selection of graduates confirmation with over 250 graduates currently on referral for these 84 requests. It is estimated at this stage that 160 youth

graduate placements will have occurred within this financial year and that the remaining 299 placements for the three year target may be achievable over the next financial year. The cost to agencies is approximately \$35 000 per annum less a subsidy of \$6 000 per graduate. The total cost to government of employing these graduates is approximately \$21 million over three years.

The Hon. M.D. RANN: I guess the Premier has tried to answer the essential question about what action is being taken in response to recent revelations that many traineeships, which attract both state and commonwealth government financial support, are being given to existing employees and sometimes are accompanied by training which is marginal at best. The Premier has mentioned changes to the scheme coming in from 1 July. It is really important that, given the cuts to a successful scheme, there needs to be some closer oversight of the scheme, perhaps by the Auditor-General to ensure there is not roting. It is clear from examples interstate that there has been substantial roting.

Given your minister's public statement last year that the small business employer incentive scheme has exceeded expectations by achieving a retention rate of 85.2 per cent—which in anyone's terms is outstanding—and that it has been the subject of an external review which 'identified the positive impact it is having on the decision of businesses to hire and ultimately sustain employment of trainees and apprenticeships', why has the government discontinued the scheme in this year's budget? Is there any roting, as has been revealed under the user choice scheme—which I would find doubtful, given the small amounts of money made available? According to the budget, the scheme has been poleaxed, even though it was last year cited as one of the government's great success stories—albeit a continuation of what was done by the previous government in this area, when I was the minister.

The Hon. J.W. Olsen: I understood that the Small Business Employer Incentive Scheme was to be put in place over two years. The take-up rate of that scheme was far greater than we had anticipated and, as the leader rightly points out, not only was there a massive take-up rate but also 4 611 places were created in the two years in that scheme. Small businesses have received up to \$4 000 over two years in staggered payments. The program will operate up to 2002 and will honour the funding commitments that have been put in place. It is a two-year program and it rolls on, so if you take someone on at the conclusion of the two-year program there is still a two-year lead time within which you have funds to pay. So, there is a funding component over, effectively, a four-year cycle, and those funding commitments will be maintained for that small business scheme.

In addition, small business will be beneficiaries to this extent: because we now have WorkCover back to being, effectively, a fully funded scheme, from 1 July we will reduce WorkCover premiums by 7.5 per cent. Effectively, \$25 million will be retained by small-medium businesses in South Australia, which they would otherwise have paid in WorkCover premiums. Given a continuation of that funding level, which we anticipate will be the case, we have also indicated that on 1 July next year we will cut another \$25 million off the cost of those schemes. So, within a period of 12 to 15 months, we would anticipate a \$50 million reduction for businesses in this state in the cost of providing WorkCover. Once again, that will create a competitive advantage for South Australia compared to other states of

Australia—for instance, in New South Wales, there has been a massive blow-out in the unfunded liability of WorkCover.

The government takes the view that, if we have positioned ourselves now to start reducing the costs of operating a business in this state, those retained earnings are the basis upon which people will reinvest in plant and equipment or employees or chase new markets, particularly if there is retained economic activity within the state. I should also mention that audits are being undertaken, as it relates to a number of schemes. I think that that might clarify one point for the leader.

The other point that I make is that, if a major company is going through a very substantial restructuring, I think it is in the state's interests to give it encouragement to do its restructuring. If that means giving the company some financial support to retrain its existing work force for major new restructuring or jobs that is a plus, because the company will be more inclined to keep its existing work force rather than shed the work force and re-employ for the skills base. We consider continuity and certainty of employment to be important and, therefore, I think it is appropriate that we support those companies that have demonstrated that they have restructured their business so that they get in a new paradigm of global markets, internationally competitive and doing things differently, because you achieve a better outcome for people that way.

The Hon. M.D. RANN: We understand about one scheme being rorted and which Minister Brindal, in the Melbourne Age, has acknowledged has the potential to be ripped off. But we are talking about the Small Business Employer Incentive Scheme, which has been discontinued in the budget. Anyway, perhaps the Premier might want to talk to his minister. I understand that some concerns have been expressed by the minister to Treasury about that matter.

In terms of the National Wine Centre and International Rose Garden (and I refer to budget paper 4, page 1.5), in 1997 the opposition and the South Australian community were told that there was a vital need for haste in securing approval for the National Wine Centre to be built in Adelaide's parklands. We were told that Canberra or Melbourne could steal it, that time was of the essence and that normal planning provisions had to be bypassed because of the urgency of pipping Canberra, in particular, I am told, to the post in case it should be the site of the National Wine Centre. We duly provided bipartisan support, which I know the Premier has acknowledged. In fact, I remember speaking about it for two hours during the debate—a speech that could only be described as memorable.

An honourable member interjecting:

The Hon. M.D. RANN: I am pleased to get support from around me. Labor recognised the importance of the wine industry to our state, and we took on face value the government's claim that we were at risk from an eastern state threat. That was three years ago. Since then, all we have seen or heard about is cost blow-outs and time delays. What was a National Wine Museum concept, a real tourist drawcard to promote all our outstanding wine regions, has moved on the site and gained more and more office space. There was much mention of the need for the development to be completed in time for the Olympic Games tourism boom. That was put to us as one of the reasons why we had to bypass normal planning: that it had to be up and ready for the huge influx of visitors for the Olympic Games. But, of course, it will not be ready in time for the Olympic Games.

The wine centre and rose garden development was listed in the 1997-98 budget as having a total cost of \$29 million. Then it was listed in the 1999-2000 budget with a total cost of \$32 million plus, to be completed by this very month. That is what we were told: that it would be completed in June this year. However, Pamela Martin, from the Premier's department, wrote to the Public Works Committee on 6 March this year and advised that there would be another \$1.5 million cost overrun on stage 2, that the total cost would now be \$36.2 million and that the completion date was now March to April 2001 rather than June 2000, in time for the Olympics.

I would like to ask the following questions—and perhaps the Premier could take these as one, in the spirit of reconciliation that prevails during estimates committees. Why has the project blown out from \$29 million to \$36.2 million? Is the Premier concerned about the prospect of further blow-outs? Given that the completion date has blown out from June this year to, we are now told, April next year, is the government concerned about the financial cost of missing out on the Olympic tourist boom that we were told would happen, and potentially how many tourists will the centre be missing out on? Given that a privately built and run wine centre, operated by a Mr Ong, will be opened in the city by the Deputy Premier this Friday, is the government concerned about the effect, financial and otherwise, that this rival centre will have on the government's project, with two centres up and running—and one up and running perhaps a year or so before the government's National Wine Centre? What is the rate that will be charged for rental or lease of office space—

The CHAIRMAN: Order!

The Hon. M.D. RANN: This is my final one.

The CHAIRMAN: Order! The Leader of the Opposition has asked about six questions in one.

The Hon. M.D. RANN: I had sought the Premier's concurrence and he nodded in a wise and benign way.

The CHAIRMAN: I suppose that if the Premier has nodded everything is all right.

The Hon. M.D. RANN: What is the rate that will be charged for rental or lease of office space in the facility, and what percentage of the development will be offices as opposed to a museum and wine centre?

The Hon. J.W. Olsen: I am not quite sure whether I nodded. I was not anticipating the series of questions. However, as it relates to the costs, in an answer to a question from—

Ms Thompson interjecting:

The Hon. J.W. Olsen:—the member for Flinders, I think I explained that earlier in the session today, and I would simply refer the leader to my previous answer about the escalation in costs. Part of the time delay was negotiating with the tenders that had been received, wanting to get a better tender price. Those negotiations brought about a delay of quite some months.

The leader refers to Mr Ong's centre: I make the point that this is a National Wine Centre; it incorporates the industry as such. It incorporates an explanation of the wine regions of Australia. It will have vineyards and the International Rose Garden where, in October of this year, I think, we will have the International Rose Festival. Based on experiences in other countries, that will attract massive numbers of tourists. The National Wine Centre is being coordinated by the board, the chair of which is Ric Allert. Industry representatives from across Australia are part of the board, whose responsibility is the oversight of the construction of this facility.

I understand that construction started some weeks, if not a month or two, ago on site and is now well under way. As the leader would appreciate, until we are able to get the new building, like the Goodman Building on old tram barn A, rejuvenated—and I must say that I was wrong in wanting to have tram barn A knocked down. The refurbished tram barn A and what is now incorporated in it is outstanding, and the way in which the Goodman Building has been—

An honourable member interjecting:

The Hon. J.W. Olsen: Iconic? It is. The National Wine Centre will be iconic, I have no doubt. We have been able to collocate plant biodiversity. It is a very important facility, and we had to refurbish those sites. Refurbishing a heritage listed building is not quite as easy as refurbishing one that does not have heritage listing. Certain matters have to be worked through carefully, and they have been. I think that the result is exceptionally good, and that has given us the clear site to demolish and now build the National Wine Centre.

The chairman reported to me recently that he anticipated the April-June period next year for the soft opening period, and that it would be then clearly an operational facility and site.

An honourable member interjecting:

The Hon. J.W. Olsen: I will need to check, but it is in the April to June period next year that it will be opened—the soft-op opening and operation; we move in the various industry sectors such as the Wine and Brandy Corporation and other bodies that will be collocating at the centre and, therefore, bringing a natural attraction of interest and attention there because of the range of people who will be housed in the National Wine Centre.

The threats from interstate were certainly real and, when we moved forward to commitment and were able to access some commonwealth funding, bearing in mind that part of the delay was ensuring that we had Centenary of Federation funding, of course that was linked in an indirect way with the Glenthorne Farm proposal. Those components had to come together and, out of those (one would hope in the not too distant future), will come Glenthorne Farm, the National Wine Centre and a first-class facility.

Mrs PENFOLD: My question relates to budget paper 4, volume 1, page 1.22, and refers to Mitsubishi. Will the Premier advise what efforts the government has been making to support the South Australian motor vehicle manufacturing industry and to ensure the survival of the Mitsubishi Adelaide plant?

The Hon. J.W. Olsen: There is no doubt that the global marketplace, particularly in the automotive industry, is under intense pressure, particularly with the financial restructuring that a number of companies must undertake. As everyone is aware, Mitsubishi Motors has undertaken a substantial restructuring program in an effort to become internationally competitive. The first phase of that related to some 600 positions.

In the meantime, Daimler Chrysler has taken a controlling interest in the Japanese parent company, the Mitsubishi Motor Corporation as distinct from Mitsubishi Motors Australia Limited. However, Mitsubishi has picked up extra export orders from the United States, which is an encouraging sign. My understanding is that it involves 4 000 vehicles, which will be from October for about 15 months. The 4 000 additional vehicles will take revenue from the export of built motor vehicles from \$115 million (up by \$38 million) to \$153 million, which will mean that it will be able to further amortise the costs of operating.

In addition, since the company announced in January this year that it would commit to a facelift and continue manufacturing in South Australia in the long term, it has had an increased percentage in sales volume as a percentage of the marketplace. That also is encouraging, and with the facelift to come on to the market, I think, in September this year, that is anticipated to give further impetus to the company.

I have continued to have discussions with the Prime Minister and the federal minister and we have provided assistance to Mitsubishi to make sure that a comprehensive out-placement service is provided for the workers who have been retrenched. Interestingly, a very small number has taken up that option, which means that those who have applied for the packages so far are looking to retire and not to go into other employment opportunities, given the take-up rate of the out-placement service offered to those employees.

As I reported earlier in the committee hearings, we had Kearney do a study into the automotive industry worldwide, some of the implications of that for us and what we needed to do to get ahead of the game, as it were, and best place South Australian industry. We have appointed a task force chaired by Graham Spurling, who was previously a Managing Director of Mitsubishi. He went on to the United States, headed up the Pacific Dunlop Battery operations in the United States and has now retired back to Adelaide, so he has key links with all the key automotive industry players, both in Europe and in the United States.

Mr Spurling is now working on a consultancy basis with the government, giving advice and having negotiations with Mitsubishi, General Motors and automotive suppliers, looking at how we as a government might best position the automotive industry and what we need to do to underpin the automotive industry in the future. To that extent, he is looking at the entire industry and not one industry player and industry sector.

We are looking at further growth and diversification amongst the automotive component manufacturers, trying to get some overseas suppliers, for example, General Motors, to consider locating to Australia in particular and, obviously, to South Australia. General Motors at Elizabeth is going through a period of sustained export growth. It is evolving in new structures, where Industrial Park or supplier parks collocated to it for manufacturing operations are considered to be the way it wants to go.

Its focus and that of the industry worldwide is now on outsourcing. Major manufacturers are placing more and more design and production responsibility in the hands of suppliers, rather than having that expertise in-house. That presents opportunities for components companies and we want to maximise those for South Australia's benefit and that will underpin the entire automotive industry in the state. Whilst Mitsubishi is an issue, it is broader than one brand name and we are now looking at the whole automotive industry to see how we can build up further skills and capability around the Tonsley and Clovelly Park plants by looking at General Motors and its success, and to see how we might negotiate with General Motors further substantial expansion in a production line within South Australia.

Mrs PENFOLD: My question relates to budget paper 4, volume 1, page 1.22 and regional development. What is the government doing for regional South Australia?

The Hon. J.W. Olsen: I understand that this question has particular interest for the member for Flinders, given the work that she does as a local member and her involvement in the regional task force in South Australia, which set the

parameters for our establishing the Regional Infrastructure Development Fund, funding for which the government has just increased. We are trying to fill the infrastructure gaps to support business expansion and investment, to help with service provision, to provide solutions to various issues and problems faced by regional business operations, and to invest in people through education and employment and by having the skills base in the regions to meet the demands as they are created.

In the last year, through the Deputy Premier, we have created the Minister for Regional Development, we have established the Office of Regional Development and we have appointed a CEO, general manager or managing director of the Office of Regional Development. His exact title escapes me for the moment. We have put in place a Regional Development Council so the regions can put to us at a state level issues that confront them. We have also set up an issues group comprising senior government officers who have authority to commit their agencies to action. That is an important point.

As a result of the new arrangements, the government has been able to implement a more focused whole of government approach to strategic issues impacting on the regions. A number of the highlights of our further commitment to the upgrading and improvement of facilities, which totals in excess of \$81 million, are as follows: \$9.6 million for the upgrade and improvement of educational facilities; \$11.95 million to upgrade and improve regional health facilities over two years; \$6.23 million to provide housing for people in need; \$2.13 million to upgrade security in education facilities at major regional facilities; \$13.52 million to upgrade fire appliances and station facilities for country and metropolitan fire services; \$4 million to increase the size of the ambulance fleet with at least 12 new ambulances to be placed in regional locations; \$5.5 million for Regional Development Infrastructure Fund, targeting areas in which infrastructure requirements are impeding development (an additional \$1 million has been provided over last year); \$23 million for new water supply and waste water treatment to reduce the level of nutrients discharged; and \$5.95 million to improve and upgrade assets within the state's national parks and walking trails.

In relation to support for business, which is of the order of \$72 million, I advise that \$16 million has been allocated to reduce the bowser cost for petroleum fuel for all users in regional South Australia; \$1.7 million has been allocated to improve aquaculture farming techniques and opportunities; \$1 million for assistance to income-affected farmers in the central north-east; \$3.77 million in support of the Regional Development Board framework providing an increase of some \$750 000; reductions to the emergency services levy have been clearly communicated; the Adelaide-Darwin rail link has infrastructure funding by way of capital allocation of some \$50 million; transport and communication in excess of \$138 million; \$1.03 million to fund the Networks for You initiative to create awareness of the opportunities of the information age; \$43 million to extend emergency services communication coverage through the government's radio network; \$83 million for the provision of strategic road infrastructure in regional areas; \$3.35 million for regional bus service providers for students, pensioners and seniors with concession travel; and \$8 million to upgrade marine facilities.

There are a number of other initiatives, but that gives the member a snapshot of the range of projects. The community cabinet meetings that go into country areas is another

example of the government's listening to and trying to accommodate the needs of regional South Australians.

Mrs PENFOLD: My next question relates to budget paper 4, volume 1, page 1.22 and the BHP indenture. Will the Premier outline the benefits of allowing BHP Whyalla to proceed with the sale of its long steel products business?

The Hon. J.W. Olsen: In March the government reached an agreement to allow BHP Whyalla to proceed with the sale of its steel long products division, now called OneSteel, as it goes through the process, as BHP describes it, of spinning that company off. Cabinet agreed to amend the 1958 indenture to allow BHP to assign its rights and obligations to a new entity, with the support of the parliament, and I thank parliament for that support. That has meant real benefits to the company and to the Whyalla community. By allowing BHP to transfer its indenture rights, the company has the green light to go through what is a much-needed restructure and to refocus BHP's core activities. It is about ensuring that there is a future for the steelworks in Whyalla, which is the key and predominant issue in our mind, that there is longevity for its skilled work force and that the steelworks remain a major employer in the town.

In return, BHP has agreed to reduce the amount of land covered by that indenture by some 3 600 hectares. It has done that so that new opportunities for economic development can be created. In addition, there will be further recreational and leisure areas created for the Whyalla community. The new steel company will operate under full EPA requirements. The 1958 indenture did not require that. Indeed, in 1958 environmental issues were not considered, and the amendment of the indenture act means that BHP now meets EPA requirements as they relate to its Whyalla operations, and it is important for the Whyalla community to know that those tests are being applied.

In addition, BHP has agreed to make annual payments totalling \$8.6 million over the next 20 years in lieu of council rates. That is four times what BHP has paid the Whyalla council in the past. I assume Whyalla council is very pleased about that outcome: it seems that it ought to be. Some of the land relinquished will be handed over for a conservation park and road reserves will be widened. The council will be able to do some enhancement through the region. The remaining land will be transferred to the City of Whyalla to develop an industrial park.

We have actively consulted with community leaders, the economic development board and the council in Whyalla. Our priority was to ensure that the new owners of the steelworks were given the opportunity to place the business on a sound footing for growth. I am confident that we will see a prosperous future with that facility in Whyalla.

BHP's decision to put its shared services centre in Adelaide, with 508 positions, is also very important. We won that from around Australia, and some 70 per cent of the 508 jobs will be recruited in South Australia. When one considers that the salaries at the higher level are in the \$300 000 band, one can see that the BHP shared services centre is a very significant win. It has looked at five sites in the CBD for the 7 000 square metres of office space that it requires, and I expect a decision to be made on that shortly.

The Hon. M.D. RANN: One of the issues I asked to be addressed with respect to the wine centre was that there are a number of wine organisations moving into the office space at the National Wine Centre and, therefore, they are vacating office space around town. Will the Premier provide details of their rent and lease agreements? The Premier may need to

take this question on notice and provide an answer at a later stage. The whole point with the National Wine Centre was that not only would there be a substantial contribution by the state and federal governments but also that there would be substantial industry contributions. Could the Premier provide details of these and also the salary and conditions and the travel budget of Anne Ruxton (I understand they could make interesting reading).

The Hon. J.W. Olsen: I am advised that the industry will be establishing the vineyards at a cost of approximately \$400 000. In addition, I understand there is an additional \$150 000 in kind donation. The cost of part of the material in the Great Hall is approximately \$100 000, and several other projects are being put in place where the quantum is, in one instance, of the order of \$3 million. The cost associated with the oral history is approximately \$200 000; and for tastings, \$1 million annually in terms of product. There is one private industry donation of \$250 000 (I am not sure if the name of the donor has been made public) and a further amount of \$110 000. So, one industry personality has contributed effectively \$360 000 to the project. In relation to Anne Ruxton's salary, I will take that question on notice. Are you referring to her salary and travel?

The Hon. M.D. RANN: Her travel budget.

The Hon. J.W. Olsen: I will be happy to seek that information and provide an answer.

The Hon. M.D. RANN: How confident is the Premier and the government of a decision by General-Motors to locate its engine plant at Elizabeth in the special precinct being established adjacent to the Holden's site? I understand that the first decision will be made out of Detroit as to whether or not an engine plant to build an aluminium engine will be established in Australia. If that decision is made (I understand it will be made within the next three or four weeks) and then within three or four months a final decision will be made—if it is favourable and it will be established in Australia, by about September or October a decision will be made by General-Motors as to which state it will be located in and I understand it is between South Australia (at Elizabeth) and a Victorian site. How confident is the Premier of securing the engine plant for South Australia?

The Hon. J.W. Olsen: I do not operate in levels of confidence. It is a matter of working towards a project: you have an objective in mind, work towards it and put in your best endeavours to secure it. A newspaper report said something to the effect that we could have the engine plant: all we had to do was write out a big enough cheque. That is simply not the case. That has not been the basis of negotiations, nor has there been any requirement of that nature from General Motors in Australia and the managing director—with whom I have had discussions on a number of occasions. The report suggesting that 'just get out your cheque book and you've got it' is simply not right. It was a comment of one of the officers of that organisation who was not privy, as I understand it, to the detailed negotiations. That was addressed by the managing director in a letter to correct the perception that might have been established by that article.

You have an engine plant in Victoria at the moment and a work force there with a range of packages related to that. Therefore, there are substantial costs associated with General Motors not doing it in Victoria. Be that as it may, we have not allowed that to deter us putting our best option on the table. We have had extensive discussions and negotiations with GM. I can assure the Leader that we will leave no stone unturned to try to secure our position. However, there are a

number of factors outside our control that, at the end of the day, might determine what the position would be. I refer, for example, to volume—the number of blocks going through. When you consider their throughput—I think it is their Mexican operation—and the cost of putting blocks through their Mexican facilities, as well as a requirement that an Australian facility should have a cost throughput of similar unit cost, you see that it is a substantial ask. We have taken up with the federal government how it might facilitate any Australian investment (of course, the federal government will look at Australian investment, whereas we look at South Australian investment) to trigger any Invest Australia support for projects.

Of course, you have World Trade Organisation issues that must be addressed. WTO requirements must be met. So, you have WTO pressing on the one hand trying to meet support for industry rather than incentives, and support for industry to invest in Australia on the other—creating a climate for it to be in South Australia. It is, therefore, a complex issue and no final decisions have been made. Those decisions have been rolled back on several occasions. It would seem to me that the industrial relations climate in Victoria would be conducive to assisting South Australia's argument. However it is yet to be won, and much work has to be done. All I can say is that dedicated resources, effort and 100 per cent commitment are being put into it. I want to emphasise that at the end of the day there are other issues over which we have absolutely no control and which might impact on the decision or dictate what the decision might be.

The Hon. M.D. RANN: The Opposition would very much like to be supportive in that approach.

I refer to page 1.3 in volume 4 of the budget papers which refers to the objective of 'a government operating effectively, efficiently and from a whole of government perspective'. Do any junior ministers have their own cars with drivers, cars without drivers or access to ministerial cars or drivers and on what basis, and will the Premier name all the officers attached to junior ministers, their classification and remuneration? I ask those questions because, originally, no additional cost was to be involved. We understand that there have been major office refits to incorporate junior ministers. We understand that staff has been made available and we understand that, to get around the rules, a car was to be made available to a junior minister only when they were doing missions on behalf of others and that this has resulted in a roting of the system to the extent that they now have cars all the time.

Certainly, one junior minister makes a point of referring to his or her driver and car which is available most of the time. Is the Premier concerned, given his interest in government operating efficiently and effectively and from a whole of government perspective, whether junior ministers have not been without cost, and whether, as a result of the political need within the Liberal Party room to appoint junior ministers, in fact government has stacked on quite a bit of funding from the public purse?

The Hon. J.W. Olsen: For the record, I indicate that our number of cabinet ministers reduced from 13 to 10. The salary of three cabinet ministers is now spread over five ministers and therefore their salary base is no more than the three cabinet ministers. In addition, to my knowledge no-one has a 'government car without driver'. I do not know of anyone who has such a facility. As originally established, on occasions junior ministers would represent the government. They would not be doing a job on behalf of someone, as the

leader alluded. If they were attending functions they had a car and a driver. It is not much different from the Deputy Leader or the Leader of the Legislative Council making their car and driver available to their parliamentary colleagues to attend functions.

The Hon. M.D. Rann interjecting:

The Hon. J.W. Olsen: The Minister for Tourism clearly drives her own car. An incident on the public record demonstrates that fact.

The Hon. M.D. Rann interjecting:

The Hon. J.W. Olsen: I thought that, as the leader was a former Minister for Tourism, he would have a good understanding of the range of social functions a tourism minister attends as distinct from other ministers, a bit like—

The Hon. M.D. Rann interjecting:

The CHAIRMAN: Order!

The Hon. M.D. Rann interjecting:

The CHAIRMAN: Order!

The Hon. J.W. Olsen: In addition to the arrangements I put in place with respect to salary base, I also indicated the staffing that would be allocated to establish offices for the ministers. Of course they must have an appropriate office in which to be located.

Mr HAMILTON-SMITH: With respect to biotechnology, which seems to me to be one of the big opportunities for South Australia, I refer to budget paper 4, volume 1, Portfolio Statement, page 1.22. Will the Premier describe the government's initiatives to develop biotechnology in South Australia and explain how it is funded?

The Hon. J.W. Olsen: Yes. We are certainly committed to developing a biotechnology industry and, to that end, we have put in place a range of complementary initiatives. There is no doubt that biotechnology advances will play a pivotal role in ensuring that the state's Food for the Future plan, for example, meets its target of \$15 billion worth of food industry by 2010. I hasten to add that if the increase in the level that we have seen in the past two years is maintained we will reach that target in approximately 2007, which is well ahead of the target date. We will look at breeding programs related to our farmers.

A major initiative is the establishment of Bio Innovation SA within the primary industries portfolio, which has a budget of \$4 million over four years. That is nowhere near the tens of millions of dollars that have been thrown at it in Queensland, I hasten to add. I argue that we are carefully targeting our funds. A lead adviser will be appointed to advise on commercial opportunities. Bio Innovation builds on our previous initiatives in the biotechnology area. The 1999-2000 budget allocates \$2 million over two years to the Plant and Food Biotechnology Centre. We have sponsored the Thebarton Biotechnology Precinct, and I encourage members to look at that precinct.

Six commercial medical biotechnology companies are located in the precinct (or will be by the end of this year) employing approximately 130 people. That employment figure is expected to double within three years. A biotech task force, chaired by Dr Bob Such, made recommendations which were considered by an inter-agency working group chaired by a representative from the Department of Premier and Cabinet. The decision to establish Bio Innovation SA recognises that advances in biotechnology will enhance productivity, assist existing industries and create new ones. We are working on many other aspects of biotechnology.

South Australia has successful world class companies, such as BresaGen and Bionomics, both of which were floated

on the Australian stock market last year. GroPep is the first company established in the Thebarton biotechnology precinct to which I have made reference. A number of other issues are related to biotechnology which will be the basis of discussions at a commonwealth level. A recent meeting between the commonwealth, states and the Prime Minister adopted an initiative in biotechnology to bring about a whole of government approach (both national and state) so that the whole area of biotechnology is integrated, coordinated and managed across government at a national and state level.

Mr HAMILTON-SMITH: With respect to the strategy that underpins the budget process, and particularly the Directions SA 2000-01 Statement that was issued by the government on 26 May 2000, it seems to me that this process of strategy development is vital to understanding the budget rationale. Will the Premier explain what role that Directions Statement played in the budget?

The Hon. J.W. Olsen: Principally, the purpose of the Directions Statement is to ensure that we have a strategic direction. It is important that the government's policy is well understood and communicated within government and the broader community so that government, agencies and departments understand strategic policy settings and the priorities of government. As a result of bilateral discussions and budget deliberations these strategic policy settings and priorities are framed in the context of the government's policy and are not a by-product of Treasury and Finance in terms of funds available. In other words, it is an important step to capture the agenda.

The process over the past 2½ to three years with respect to the formulation of Directions Statement 1 (and now with the release of Directions Statement 2) has been designed to ensure that we capture the policy agenda. The finances of government are allocated to the government's policy agenda, not the reverse. That Directions Statement sets out the foundations, namely, what have we achieved; what have we put in place; and what is the structure that has been established thus far? We then moved to directions: is the direction that we take aligned to a particular portfolio and what are the key policy settings in each portfolio?

It also enables us—cabinet, ministry and a senior management council—to look across government. So it is a whole of government output, and we are all working collaboratively to meet the outputs of the government. In addition, it clearly demonstrates to the broader community what we were wanting to achieve as a government—the strategic policy direction for local government. They can see where the state government is going, how they might dovetail into and support and get the best advantage from it for their local government regions. It demonstrates for the business community a clear direction for the government, so that any investor coming into South Australia can see what the policy settings will be over the next few years and, therefore, can invest with certainty and confidence in South Australia, based on the direction we are proposing to take and the priority settings we have put in place. In addition, the broader community will be able to understand where we are going and why and, importantly, where we have come from and what we have achieved in the process.

Membership:

Ms Hurley substituted for Mr Foley.

Additional Departmental Advisers:

Mr D. Smythe, Acting Executive Director, Department of Premier and Cabinet.

Ms J. Andrews, Deputy Commissioner for Public Employment.

Ms HURLEY: How many positions are targeted to go from each department of each portfolio over the coming year?

The Hon. J.W. Olsen: Separation packages are mechanisms to assist government agencies and statutory authorities implement organisational restructuring; eliminate non-core functions; improve their efficiency; and undertake productivity and outsource activities which can be more efficiently managed in the private sector. Agency work force reduction plans are developed from time to time to achieve specific restructuring objectives when the need and opportunity presents. At present, there is not a specific centrally coordinated whole of government TVSP target for 2000-1, as work force restructuring plans are developed at the agency level as and when cabinet agrees on those restructuring initiatives. I will now refer to significant work force restructuring plans that are currently approved by the Commissioner for Public Employment and are likely to carry over into 2000-1. In the Department of Human Services, in particular the North-West Adelaide Health Service, the TVSP work force approval and classification details are:

- 184.12 FTE of weekly paid employees;
- three FTEs, ASO1 administrative;
- two FTEs, ASO3 administrative; and
- one FTE, ASO4 administrative.

It was approved on 13 August 1999. As to the approval in date, it is ongoing. Approximately 80 FTE TVSPs are remaining out of that group.

In the Department of Transport, Urban Planning and the Arts, and Transport SA the TVSP work force approval and classification details are (and there are a total of 90 TVSPs):

- one SP2 storeperson;
- two GSE3, GSE6, government services employees;
- five TGO1-3 technical officers;
- eight CLM3-7 construction and maintenance;
- 10 OPS1-4 operational services;
- 12 MET7-11 engineering trades;
- 25 ASO1-MAS1 administrative; and
- 27 CO3-9 metal trades.

The date that was approved was 6 September 1999 and approval end date is 6 September 2000; 87 TVSPs remain.

In the Department of Transport, Urban Planning and the Arts, the Adelaide Festival Centre Trust, there were 20 TVSPs comprising:

- one lighting coordinator;
- one sound coordinator;
- one machinist coordinator;
- one lighting operator;
- one sound operator;
- one mechanic;
- one stage door attendant;
- one design coordinator;
- one car park attendant;
- three cleaners/gardeners;
- six ushers; and
- two house managers.

The date that was approved was 6 September 1999 and the approval end date is 6 September 2000; approximately six TVSPs remain.

In the Department of Education, Training and Employment, there were 25 TVSPs comprising:

- two GSE1 handyman;
- one GSE1 cleaner;
- two GSE2 security;
- two storepersons;
- three M8 mechanical fitters;
- one M8 refrigeration mechanic;
- one M8 electrical fitter;
- one M13 engineering maintenance;
- four ECW CCW2-4 child-care workers;
- one TGO3 multimedia production;
- one OPS2 facilities management;
- two ASO3 administrative multimedia;
- three PSO1-2 librarian; and
- one ASO6 curriculum materials development.

The date of approval was 31 December 1999 through to 31 December 2000; approximately 15 TVSPs remain.

For the Department of Administrative and Information Services, Supply SA, there were 59 TVSPs comprising:

- three ASO1;
- three ASO2;
- three ASO3;
- five ASO5; and
- 45 storepersons.

The date of approval was 31 December 1999 and it is ongoing; 39 TVSPs remain.

For SPRINT, under the Department of Administrative and Information Services, there were 79 TVSPs comprising:

- five ASO2;
- one ASO4;
- two ASO5;
- one MAS1;
- 51 printers;
- 11 OPS3;
- one ASO3;
- two ASO4;
- one EXA;
- one ASO6;
- two OPS4; and
- one OPS6.

It was approved in May 1999 and it is ongoing; 52 TVSPs remain.

In building maintenance, there were 108 TVSPs comprising:

- three ASO1;
- six ASO2;
- three OPS2;
- three OPS3;
- five OPS4;
- one OPS5;
- 18 carpenters;
- three drivers;
- 12 electricians;
- three electronics;
- seven fitters;
- three general hands;
- two glaziers;
- one ironworker;
- one laundry;
- four lift mechanics;
- one lino layer;
- five mechanics;
- three painters;
- nine plumbers;
- six refrigeration mechanics;
- three storepersons;

- four welders;
- one wet trades; and
- one other.

That was approved on 11 July 1997 and it is ongoing; 30 TVSPs remain.

As at 7 June 2000, no other work force restructuring plans have been formally approved in advance by the CPE for implementation in 2000-01. It is noted, however, that several work force restructuring plans are currently under consideration or have been submitted to the CPE for formal approval. They have not yet received government approval.

Mr HAMILTON-SMITH: I am interested in the issue of public sector management and leadership development. What is the government doing about the capacity for the next generation of senior public servants to lead and manage? How is the budget targeting that leadership development?

The Hon. J.W. Olsen: I have made some reference to the age profile of the public sector and our wish to try to balance that out. A recognition of the importance of leadership is the leadership and management development in government agencies, and there is a program that has now been put in place. Development opportunities are being provided to ensure that leadership skills are developed. To boost leadership and management capabilities of all levels of Public Service staff, the Leadership SA initiative provides funding of \$2.4 million for a suite of programs and scholarships are provided to staff to participate over a two-year period.

To ensure that all government agencies meet their obligation to provide staff with the required management and leadership abilities, a benchmark target for the 1999-2000 financial year has been set. Agencies can measure and then report on the leadership and management development component, which is 2 per cent of salary. For the 2000-01 financial year greater emphasis is being placed on vocational education and training. The Public Service's training package was finalised in 1999 and will be supported with the allocation of additional resources to enable staff in the early phases of their careers to assess and develop skills. One of the key areas in the package is management with a specialist qualification at diploma and advanced diploma level, recognising unique management skills and knowledge required in the public sector. In addition to that leadership development program, as I mentioned earlier, we are also addressing an age profile and skills profile at a management level for the next generation of managers.

Mr HAMILTON-SMITH: I would like to move on to flexible working arrangements, and I refer to budget paper 4, volume 1, Portfolio Statements, page 1.22. I am interested in what the budget provides for concerning the need for more family friendly work practices for government employees.

The Hon. J.W. Olsen: As the Minister for Transport and Urban Planning would put it, the building of family friendly workplaces is important. Through the introduction of voluntary flexible working arrangements, there can be benefits that go to employers, employees and certainly clients. Our commitment in building that into the structure of the public sector workplace included undertaking a review of flexible working arrangements in the South Australian public sector by the Office for the Commissioner for Public Employment—and I think that was in 1999.

There was agreement by all chief executives (and endorsed by the Commissioner for Public Employment) to introduce or expand the use of at least four options and for them to be introduced by March 2001. They include: part-time and job share arrangements; flexible working hours;

compressed weeks—that is, a nine-day fortnight; purchased leave, which allows employees with family or other responsibilities to plan to take four weeks' leave without pay; and working from home. Further, the Office for the Commissioner for Public Employment is currently finalising the publication of material, including a Public Sector Management Act determination, which clarifies the legal implications of each flexible arrangement in the context of the public sector, in order to support the smooth introduction of the voluntary flexible working arrangements within agencies.

Mr HAMILTON-SMITH: I would like to move on to the issue of industrial disputes, and I refer to the same page in the Portfolio Statements, page 1.22, 'Time lost during industrial disputes'. What is the current level of industrial dispute within the South Australian Public Service?

The Hon. J.W. Olsen: The government now has available the most recent data for the 1999-2000 financial year, which shows time lost during industrial disputes in the South Australian Public Service. As at 29 May 2000, a total of only 1.5 hours was reported as being lost time due to industrial action in respect of employees in government departments and the South Australian Health Commission. This has historically been the area of employment reported on at estimates. Mr Chairman, I put to you that that is an excellent outcome and, based on available data, is by far the lowest level of lost time recorded since 1976 for these groups of employees. For example, the comparative figures for this year and the previous four years for the same group of employees are: 130 588 hours of lost time for 1995-96; 76 205 hours of lost time for 1996-97; 926 hours of lost time for 1997-98; 23 774 hours of lost time for 1998-99; and 1.5 hours of lost time in 1999-2000, which seems to be an extraordinary result—and a successful result. As a point of interest, in the four financial years from 1995-6 the majority of lost time was due to strike action by teachers in support of AEU claims of wage increases and other benefits well in excess of what the state can reasonably afford.

Ms Key interjecting:

The Hon. J.W. Olsen: It is.

Ms Key interjecting:

The Hon. J.W. Olsen: No, I am saying that their claims were. While the government is again in disagreement with the AEU over the next enterprise agreement to apply to its members in DETE, the government's strategy in having this matter proceed as an arbitration before the Australian Industrial Relations Commission has effectively removed strike action and, therefore, lost time disruption to learning from the equation.

This latest figure continues to support the government's management credentials in dealing with the work force in times of continuing change. There has been extraordinary change, and I think that these figures indicate an attitude in the work force which, as I have said on a number of occasions, is also a significant asset of the state and its work force. The data for the public sector also lends support to the government's industrial relations legislation as providing an industrial framework for the parties with the opportunity to develop genuine workplace agreements and ample scope to resolve issues without the need for heavy industrial action.

I will now refer to lost time disputes in other than government departments and the South Australian Health Commission. Notwithstanding the good result in government departments and health units during 1999-2000, there have been lost time disputes in other government agencies. With respect to TransAdelaide, there have been five separate

stoppages, resulting in a total of 2 908 lost hours. The stoppages were in protest of the loss through competitive tendering of TransAdelaide's bus operations and also in respect of the contracting out of the railcar maintenance. However, since that time I highlight the smooth transition, and now the operation, of what is effectively a fully outsourced public sector transport service for metropolitan Adelaide and a range of country areas, and I think that the lack of disputation is a credit to the people involved. There were no such achievements in the past.

I well remember when a former administration changed policy in relation to, I think, the railcars, and there was extended strike action in relation to that. That has not occurred. In relation to the Lotteries Commission, there have been two stoppages, resulting in a total of nine hours of lost time. In this case, employees were protesting against the proposed sale of the Lotteries Commission. I think that that indicates an outstanding industrial relations record, despite the fact that there is substantial restructuring and considerable change across the public sector. The way in which this has been managed, the way in which change has been implemented and the way in which people have coped with change is a credit to all who have been involved in the process.

Change is not easy. Change brings anxiety, uncertainty and, in human management terms, it brings quite testing times. But we have gone through quantum change and I do not know whether the level of industrial disputation to which I have referred is a record around Australia but it would have to be amongst the shining lights in Australia of how to put in place a quantum of change without massive disputation. And I pay credit to the work force, which clearly has gone through great anxiety in that process.

Ms HURLEY: Can the Premier provide the name, title and agency of all persons eligible for a bonus performance payment in 2000-01 and can he also provide the name, title and agency of all persons who received a bonus payment in 1999-2000?

The Hon. J.W. Olsen: That information is as follows:

- The Deputy Commissioner for Public Employment, Department of the Premier and Cabinet, no bonus.
- Major Projects Coordinator, Department of the Premier and Cabinet, no bonus.
- Director, State Strategic Policy, Department of the Premier and Cabinet, no bonus.
- Executive Director, Cabinet Office, Department of the Premier and Cabinet, no bonus.
- Director, Government and Legal Services, Cabinet Office, Department of the Premier and Cabinet, no bonus.
- Executive Director, Economic Reform Department of the Premier and Cabinet, no bonus.
- Agent-General, London, Department of the Premier and Cabinet, no bonus.
- Executive Director, Communications, Department of the Premier and Cabinet, no bonus.
- Chief Executive and Commissioner for Public Employment, Department of the Premier and Cabinet, no bonus.
- Project Adviser, Commercial Advice, Department of the Premier and Cabinet, no bonus.
- Director, Strategic Projects, Department of the Premier and Cabinet, no bonus.
- Executive Director, Strategic and Executive Services, Department of the Premier and Cabinet, no bonus.
- Director, Commercial Advice, Department of the Premier and Cabinet, no bonus.

- Director, Business Services, Department of the Premier and Cabinet, no bonus.
- Executive Director, Office of Multicultural and International Affairs, Department of the Premier and Cabinet, no bonus.
- Director, South Australian Centre for Lifelong Learning and Development, Department of the Premier and Cabinet, no bonus.
- Assistant Director, Human Resource Management, Department of the Premier and Cabinet, no bonus.
- Director, Personnel Policy, Department of the Premier and Cabinet, no bonus.
- Director, Urban Resources and Policy, Department of the Premier and Cabinet, no bonus.
- Director, Social Policy and Intergovernment Relations Secretariat, Department of the Premier and Cabinet, no bonus.

As it relates to the Tourism Commission, under the auspices of the Minister for Tourism:

- Chief Executive, South Australian Tourism Commission, no bonus, because it is not applicable.
- General Manager, Australian Major Events, Tourism Commission, no bonus.
- General Manager, Marketing, Tourism Commission, no bonus.
- Event Director, Tour Down Under, Tourism Commission, no bonus.
- Executive Manager, Sector Development, Tourism Commission, no bonus.
- General Manager, Clipsal 500, South Australian Motor Sport Board, no bonus.
- Chief Executive Officer, Adelaide Convention Centre, no bonus.
- Deputy Chief Executive Officer, Adelaide Convention Centre, no bonus.
- Director, Catering Operations, Adelaide Convention Centre, no bonus.
- Chief Executive Officer, Adelaide Entertainment Centre, no bonus.

Ms HURLEY: Will the Premier provide the committee with a schedule of separations effected during 1999-2000 by agency, employment classification, age of person separated and the cost to each agency of the separation packages? I would be happy if the Premier would list these and, rather than reading them out one by one, could just table them in *Hansard*.

The Hon. J.W. Olsen: I can provide the Deputy Leader with the portfolio for which I am directly responsible at the table, which I am happy to do. The total number and cost of separations for the agencies covered by Premier, Minister for State Development, Minister for Multicultural Affairs, including for part of the period Minister for Year 2000 Compliance, for the financial year 1999-2000 (up to 31 May 2000) was five separations at a targeted voluntary separation package cost, not including superannuation and leave entitlements, of \$704 067.95. The total number and cost of TVSPs by agencies for 1999-2000 is:

- Department of the Premier and Cabinet, one separation, cost, \$130 442.51.
- Office of the Commissioner for Public Employment, two separations, cost, \$252 061.44.
- Unattached, two separations, cost, \$321 564.
- Minister for Tourism office, nil.
- Minister for Year 2000 office, nil.
- Office for the Year 2000, nil.

That comes to the total of which I previously advised the committee.

Ms HURLEY: I refer to Output Class 2, Public Sector Human Resources Management, page 1.8. One of the highlights for 1999-2000 under the Public Sector Human Resources Management Section has been the review of executive employment and the initiation of a series of improvements. I note that the Auditor-General in his annual report last year was highly critical of the CEO employment contracts because they sought to politicise the positions, in that contracts tended to bind the CEOs' decisions towards pleasing their ministers rather than the public of South Australia.

There is one noted exception, of course, and that is the former CEO of the Office of Asian Business, Mr John Cambridge, who appears to have a contract under which he pleases himself. He has a contract that allows him to spend taxpayers' money at an unusual rate; that allows him to take time off in lieu of working weekends while on overseas business trips; that allows him to work in highly paid consultancies without written permission from the Commissioner for Public Employment; that allows him to hold down a second job with an international company based in Asia, which gives rise to potential for conflict of interest; and so on. That is some employment contract!

Just to remind the Premier about the law, the Public Sector Management Act views very seriously conflicts of interest for all public sector workers as well as those engaging in employment outside the public sector. I assume that this includes chief executive officers, unless we are writing different contracts for them that directly contravene the act. Section 56 of the Public Sector Management Act 1995 provides:

If an employee has a pecuniary or other personal interest in a matter and the interest conflicts or may conflict with the employee's official duties, the employee must disclose the nature of the interest to the chief executive of the administrative unit in which the employee is employed.

Section 57 of the act provides:

... an employee is liable to disciplinary action if the employee contravenes or fails to comply with a provision of this act. The employee is liable to discipline if the person engages in any remunerative employment, occupation or business outside the Public Service.

Mr Cambridge was found to have a conflict of interest when he failed to declare that he was a Director of the Chinese Zhong Huan Group's Australian-based company and that he was a co-director of a company with one of Zhong Huan Group's key directors, Mr Harry Tu. We know that it must have been more than an oversight not to have declared this interest, given that under Australian law Mr Cambridge was required to sign a document agreeing to become a director.

Also, the reasons given by the Premier to this House as to why Mr Cambridge became a co-director of a company with Mr Tu were later found to be incorrect. The Premier said that Mr Cambridge was merely helping out Mr Tu, almost as a courtesy, because Mr Tu believed that he should be involved with a South Australian-based company if he was to conduct business in this state. However, we found that Mr Tu was already a director of at least two South Australian-based companies prior to his appointment to Mr Cambridge's SA Golden Investment Company.

The Premier has never corrected that statement to this parliament: he may like to set the record straight today and give us the real reason for these appointments. We later found

that Mr Cambridge also had a conflict of interest when he failed to declare to the Board of Education Adelaide that he was a co-director of the SA Golden Investment Company with Mr Tu at the time that Mr Cambridge was lobbying the board to fill Zhong Huan's proposed redeveloped tax office building in King William Street with overseas students.

According to information given to the opposition under a freedom of information request, Mr Cambridge did not seek permission from the Commissioner for Public Employment to undertake his consultancy work with New Toyo International while on recreation leave for three months last year; nor did Mr Cambridge comply with the regulations under the act that required him to disclose to the Premier the exact nature of his paid directorship with New Toyo, including the amount that he was paid. Has any disciplinary action ever been taken against Mr Cambridge for breaches of the Public Sector Management Act? If so, for what reason, and what action was taken?

The Hon. J.W. Olsen: What we have just had from the opposition was a speech: the Deputy Leader has just taken the *Australian* articles from the past six months and put them all together.

We are guided by the Public Sector Management Act in the employment of people. That is an act of this parliament, and if the Deputy Leader would like to demonstrate how I have been in breach of that act, I would be happy to respond to that. The simple fact is that we have not. Some of the Deputy Leader's assertions in her diatribe were not accurate.

Ms HURLEY: So, tell us which.

The Hon. J.W. Olsen: I have answered these questions before: I will not repeat my answers.

Mr CONDOUS: I refer to budget paper 4, volume 1, Portfolio Statements, page 1.22. What has been the effect of the wages parity agreement for public sector salaried and weekly paid employees?

The Hon. J.W. Olsen: The agreement covers approximately 35 000 salaried and weekly paid employees in predominantly budget funded agencies. The move to wages parity for public sector employees was endorsed by the government as a means of reducing pay inequities across the sector, promoting mobility and achieving a wages outcome within budget estimates. The agreement has, I would argue, delivered stability and certainty of wages outcome for the majority of the public sector to October 2001.

It has established wages parity for some 35 000 employees across the 11 portfolio agencies and it has indirectly produced the effect of a ceiling on wage demands in a number of public sector enterprise agreement negotiations. It has also provided an equitable wages outcome for the majority of public sector employees, at the same time allowing for the industrially sensitive occupational groups, including teachers, medical officers, nurses and police, to be addressed according to their needs.

The agreement has also established an atmosphere of relative industrial harmony, and I have referred to that in terms of the track record, by eliminating complaints about perceived inequities between agencies for employees performing like work. It has restored the concept of a career Public Service by providing opportunities for mobility and advancement for employees. It has enabled the introduction of salary packaging as an option for employees covered by the agreement. It has provided a resource efficient and manageable negotiating framework for the government and it has also provided significant flexibility. For example, staffing of the Department of Water Resources has proceeded

unimpeded by differentiated enterprise agreement terms and conditions. The flexibility has enabled the establishment of that new department to be unhindered by constraints that would otherwise be in place. It is the same sort of flexibility that has now been built into workplace agreements in the private sector, and rightly so, if employers are to meet the competition and pressures that occur from time to time in the international marketplace.

Mr CONDOUS: What is the national public service training package?

The Hon. J.W. Olsen: That package was endorsed by the Australian National Training Authority (ANTA) on 24 December 1999. It is the culmination of 12 months' intensive consultation by commonwealth, state and territory public services. The Office of the Commissioner for Public Employment has played a leading role in the development of that training package. The Deputy Commissioner for Public Employment has chaired the national commissioner's steering committee (Public Service Education and Training Australia), and the office hosts the secretariat responsible for developing that training package.

The package will have significant impact nationally and locally. Over 1 million public servants nationally will be eligible to use the package and in South Australia I am told that something like 30 000 public servants are eligible. The training packages are the vehicle approved by ANTA to define the work standards, curriculum and associated processes of assessment needed to obtain qualifications below degree level, that is, vocational education training (VET) level, in each Australian industry. Public services across Australia have previously had for their entry to mid-level general staff (ASO1, ASO5 and ASO6 in South Australia) little or no agreed and linked work standards, systematic training and professional qualifications. The public services training package has changed that.

It defines over 200 work competency standards across 18 key work areas graduated in difficulty of level from entry to middle level. It provides a total of 21 qualifications. There are five generalist qualifications ranging from Certificate II in Government to Advanced Diploma of Government, and a further 16 specialist qualifications ranging from Certificate IV to Advanced Diploma. The specialist qualifications include statutory investigations and enforcement, fraud control and prevention, project management, financial management, policy development, human resource, compliance management, contract management and management. Implementation of the public services training package will be determined at a local level by each jurisdiction. In South Australia, the implementation is being led by the Office of the Commissioner for Public Employment.

Mr CONDOUS: What is the Department of Premier and Cabinet doing to assist government agencies improve their occupational health and safety and injury management performance?

The Hon. J.W. Olsen: By way of background, I advise that staff in the public sector Occupational Health and Injury Management Branch of the Human Resource Division continue to liaise closely with WorkCover to ensure that appropriate and timely advice is provided to government agencies on new WorkCover performance standards for self-insurers. The guidelines have been developed to assist agencies establish a business management system approach to occupational health and safety and injury management, which will be supported by the injury management branch through its consultancy services. There is provision for the

training of agency staff and the provision of additional material and resources. Significant training has been provided on internal auditing to enable public sector agencies to evaluate their occupational health, safety and injury management systems.

I will refer to three initiatives. In 1999-2000, three public sector occupational health and safety grants were awarded. The Department of Environment, Heritage and Aboriginal Affairs received \$15 000 to develop an ergonomically effective backpack harness in order to reduce manual handling injuries associated with the use of backpacks. The Department of Industry and Trade received \$11 850 to develop an electronic accident-incident reporting system. Primary Industries and Resources SA was granted up to \$39 500 to improve occupational health, safety and welfare performance in high risk areas through better business practice.

A special grant was also awarded this year for specific improvement projects. The Justice portfolio was granted \$30 757 towards the cost of a computerised OHS and internal management auditing tool designed to compare the performance of all agencies within the portfolio. Applications for grants for the next financial year closed on 13 June. A WorkCover industry safety award, which was presented for the first time last year to a Public Service industry, was awarded to the Department of Environment, Heritage and Aboriginal Affairs for its outstanding management commitment to occupational health, safety and injury management. The award will be presented this year based on suitable criteria currently being developed.

A major current initiative is the implementation of a whole of government occupational health and injury management database from 1 July 2000, which will provide better and more timely management information in this area. In addition, the management branch is undertaking a number of additional projects with a focus on injury prevention, claims management and rehabilitation. These include identifying trends and prevention strategies for muscle stress, psychological injuries, the effective management and reduction of long-term claims and the effect of the redeployment of injured workers across the public sector—for example, the track record within SAGASCO, which had a costly injury management incident effect. The new Managing Director of SAGASCO in South Australia (Fraser Ainsworth) embarked on a rigorous program and reduced the level of injuries substantially, thereby reducing the cost to the business, and it is a classic example where occupational health and safety issues, properly managed, can actually bring bottom line benefits to a company, not to mention the human benefits to the individual by reduced accidents within the workplace which is a priority we ought to be attempting to achieve. In that instance, it demonstrated not only that there was a personal benefit to the work force in lack of injuries but also that there was a bottom line cost for that company, so it is good business to have a good occupational health, safety and welfare management system and set a criteria and education program.

Ms HURLEY: Premier, I return to Mr Cambridge, and I certainly invite you to take this opportunity to correct any of the statements which I made and which were, in fact, taken from publicly available companies data, from freedom of information material that we have gathered and from answers to questions in parliament. I would welcome the opportunity to have any of those statements corrected. Is it common practice for the public sector commissioner to grant time off

in lieu of weekends away on overseas trips for chief executive officers as Mr Kowalick granted for Mr Cambridge in May last year—10 days off in lieu of weekends worked during overseas missions? Is this allowed for in other CEO contracts and, if so, how many other CEOs have asked for and received this type of time off in lieu?

The Hon. J.W. Olsen: I draw the deputy leader's attention to a range of statements and questions I have answered ad nauseam in this parliament on this issue over an extended period of time, all of which has canvassed the regurgitated question that we have had today in this committee. What the deputy leader has read to us is simply time and again repetition of the questions that the House of Assembly has dealt with in considerable detail over the past couple of years. I do not see the point in taking the committee's time and energy in revisiting something that has already been answered in quite a lot of detail in the House.

Ms HURLEY: The opposition has had to put up with the committee's time and energy being wasted with the Premier's answering 'dorothy dixers' at great length in this parliament. I have asked a simple question. If the Premier cannot answer perhaps Mr Kowalick can. Is it common practice to grant time off in lieu of weekends away on overseas trips? Now, whether you want to answer that in relation to Mr Cambridge, or whatever, I think it is a simple question. It is a very unusual practice, I would have thought.

The Hon. J.W. Olsen: Mr Kowalick indicates that he is happy to answer the generic nature of that question, and I am happy for him to do so.

Mr I. Kowalick: It is not normal to grant CEOs time off in lieu of time worked on weekends. However, in John Cambridge's case his former position as head of the Office of Asian Business required him to travel for extensive periods of time (in which he was away from home), including periods of time when he worked on weekends. It is within my remit to agree to that. He made a case to me and I agreed to it in that particular circumstance. He has spent a lot of time away from home and family and it seemed reasonable in these circumstances.

Ms Hurley interjecting:

The Hon. J.W. Olsen: With respect, that is not the answer just given by Mr Kowalick: it is a political reorientation of the answer. The record, as put down by Mr Kowalick, will speak for itself.

Ms HURLEY: I understand that that time off in lieu was part of an approval for three months leave for Mr Cambridge to work in Singapore. What action was taken against Mr Cambridge for failing to seek written permission for his consultancy work with New Toyo last year in Singapore? I ask that question, especially given that regulations under the act provide that disclosure of Mr Cambridge's pecuniary interest must include a description of the contract, office, trade, vocation, business or profession and the amount and source of the remuneration fee or other pecuniary sum which, according to the information given to us under freedom of information, was not supplied by Mr Cambridge.

The Hon. J.W. Olsen: I am reminded that he had permission.

Ms HURLEY: That is not the question. The question is: why did he not disclose the information required under the act, and was any action taken against him because of that failure?

The Hon. J.W. Olsen: I do not have the answer to that component. I understand that the matter was reviewed and no further action was taken. However, I suggest that if the

deputy leader wants to ask detailed questions of this nature she should ask the minister now responsible for matters concerning Mr Cambridge in tomorrow's budget estimates session.

Ms KEY: My question to the Premier relates to the weekly notice vacancies. Looking at that publication from time to time there are usually 50 to 100 pages of vacancies acknowledged. I understand that we have many public sector redeployees. There has been some media coverage recently about some of those public sector redeployees who do not have work or access to resources to get new work. Can the Premier say how many redeployees there are in the public sector at the moment and indicate whether there are problems with locating these people because of that number. Also, budget paper 4, 1.8, states as a target for 2000-01:

Implement initiatives for reducing long-term workers compensation claims.

I would like the Premier to comment on that also in his answer.

The Hon. J.W. Olsen: We have about four questions there, but I will endeavour to try and work my way through them. Some of the details that the member is seeking I need to take on notice in order to give the specifics of the number of excess government employees. What was the last part of the honourable member's question?

Ms KEY: I asked about the number of redeployees. From what areas do they originate and what is the match with the number of vacancies?

The Hon. J.W. Olsen: That is part of the problem: there is a mismatch.

Ms KEY: I am seeking that information. Also, it sounds rather ominous, and perhaps I am being cynical, but I hope that there is a positive answer to the quote, 'implementing initiatives for reducing long-term workers compensation claims'. What are the 'initiatives' and what is the government proposing in that area?

The Hon. J.W. Olsen: I canvassed that issue in answer to an earlier question from one of my colleagues. I talked about the initiatives we are putting in place in terms of occupational health, safety and welfare and injuries management systems.

Ms KEY: My point is that these are claims. Obviously, they are people who have illnesses or injuries associated with their work already. The quote mentions reducing those claims. What are the initiatives for those people who have already been injured or who have associated problems?

The Hon. J.W. Olsen: Clearly, appropriate rehabilitation and, where appropriate, reskilling and retraining so that we have a match between the redeployee and a vacancy. We will be putting some effort into getting a match and that may mean reskilling some of those employees for the opportunities that will occur. In relation to the details for the first part of the honourable member's question, we will do some work on that and get back to the honourable member.

The CHAIRMAN: Are there further questions on public sector human resource management? The agreed program suggested that we would move across to the Auditor-General's line at 5.15 p.m. The member for Flinders.

Mrs PENFOLD: I refer to budget paper 4, volume 1, Portfolio Statements, page 1.22 and public sector performance against Workcover performance standards. Will the Premier advise how the South Australian public sector is performing in relation to WorkCover performance standards?

The Hon. J.W. Olsen: In 1997 cabinet set a goal for all agencies to achieve the highest level in WorkCover exempt employee performance standards. All Crown agencies, health units and statutory authorities have achieved the maximum score of a level three rating against the standards, with the exception of the Department of Education and Children's Services' component of DEET, which has negotiated for a level three prevention audit to be conducted in 2001, and the Country Fire Service, which is subject to a special report as a result of the large number of volunteer employees to be trained.

WorkCover introduced new performance standards for self-insurers in 1998. The new standards are based on a business management system approach with a focus on continuous improvement. All self-insurers were required to submit their occupational health and injury management action plans to WorkCover by October 1999. This time frame was met by all Crown agencies. The Human Resource Management Division of the Department of Premier and Cabinet is now monitoring government agencies in the implementation of their action plans to ensure that they comply with the requirements of WorkCover performance standards. This achievement, which I categorise as excellent, means that public sector employees can benefit from improved health and safety outcomes in the workplace. I have alluded, in a previous answer, to the reason why I consider that to be particularly important and a priority for the government.

Ms KEY: Budget paper 4, page 1.3, makes reference to rejuvenation of the public sector and public sector wages. How does the Premier envisage this happening? The Premier answered a question from our leader with regard to youth traineeships, but will he explain 'rejuvenation' in terms of the reduction in traineeships which, as we all agree, has been a very successful program.

The Hon. J.W. Olsen: The member refers to its being cut back. I take the honourable member back to the time when these programs were announced in 1997-98. They were for a two-year period. We put in place a strategy for two years. It was not designed to be a strategy ad infinitum. Given the costs involved, one must make value judgments, and that is the reason why we put in place a two-year strategy.

Ms Key interjecting:

The Hon. J.W. Olsen: In response to the aside, I simply say that one must make a value judgment: whether you want to increase mental health funding, as we have (\$7.5 million over three years); and whether you will meet the \$15 million worth of extra training required for people accessing TAFE training courses, and the like. As a result of the explosion in the number of apprenticeships and traineeships, we simply had to find the funding to meet the demands of completing the education and training. I again point out that these programs were put in place for several years and involve ongoing costs.

When the honourable member says that it has been cut, the program was designed for a couple of years—this is the end of the couple of years. However, the costs will continue to roll in for the next year or two as we finalise the contractual arrangements involved in the small business enterprise improvement scheme. As it relates to the graduate program and the rejuvenation of the public sector, for the previous decade or so, I do not think any strategy was in place that looked at age profile, rejuvenation and leadership and management skills training of the Public Service.

Ms Key interjecting:

The Hon. J.W. Olsen: No, there had not been a coordinated approach. The current Commissioner of Public Employment looked at this and said, 'We need to develop a strategy for the management of our public sector for the long term.' Leadership SA (a leadership, management training and skills development base) has now been put in place. As a result of the age profile and the TVSPs (which the former administration and the current administration put in place to reduce the size of the Public Service), one got a distortion in the skills base—the emerging management expertise. In respect of the 600 graduates, I have answered the question about how many are in place now and how many we propose to put in place over the course of the next year—I think the number is 299 over the course of the next year.

In terms of regeneration and rejuvenation of the Public Service, we are bringing in 600 graduates who, hopefully, with their qualifications and management expertise, will embark on their career in the Public Service to ensure that we have management skills development and the leaders of tomorrow emerging in the public sector. It needs to be looked at in that context.

The additional \$15 million that is allocated to the training program simply as a result of the explosion in apprenticeships and traineeships is a need that had to be met. We are attempting to meet, in a balanced way, the skills development across the board, in both the public and private sectors. At least in the past couple of years an integrated and coordinated approach has been put in place. No such program existed previously. A number of key people in the public sector now attend senior management training courses internationally. We are doing that in an effort to inject international experience into the skills base of the senior executive and management levels of the Public Service.

We are conscious and mindful that governments of the day need to have access to good, solid advice from their Public Service. That means that people must participate in training opportunities which the private sector has been undertaking for the past 10 or 15 years but which have not been available to the public sector. At least we have a program that starts to address that. It is a small but constructive program. It is a start in something that I would hope we would be able to develop in subsequent years.

Ms KEY: What does that mean with regard to wages?

The Hon. J.W. Olsen: Appropriate wage management and adjustments from time to time. I repeat that we have had 1½ hours lost in industrial disputation. That is so insignificant that it would almost have to be an international record—and I am not sure whether it is. I assume the calculations are accurate—but only 1.5 hours of time was lost at a time of change and of negotiating new pay arrangements. During this period or just before, pay arrangements for nurses and police were negotiated. The only outstanding matter relates to teachers, and that is now before the Industrial Relations Commission. We have talked about the wages parity issue. The honourable member would be aware that I made a commitment that across agencies, for like work, we would embark upon wages parity.

Ms KEY: I hope you're not going to get into pattern bargaining.

The Hon. J.W. Olsen: No, there was an anomaly in the system which we said we would address. I gave that commitment to the public sector unions—that we would work through the matter—and, if my memory serves me correctly, it was at some considerable cost that we introduced wages parity across the public sector. We agreed that there was

inequality and that that inequality should be addressed, and it has been. The features of the agreement are: agreement for salaried and weekly paid employees applies across the South Australian public sector with an end date of 1 November 2001; and wages parity at the level of 17 per cent since enterprise bargaining commenced at 1 July 1999. There are further increases of 3 per cent per annum at both 1 October 1999 and 1 October 2000, with a final average 3 per cent pay increase proposed for 1 October 2001.

There is the continuation of the government's no forced redundancy policy for employees covered by the agreement to apply for the term of the agreement. In addition, that settlement is costed at an additional \$163 million to the budget over a three-year forward estimates period. I also hasten to add—and the Treasurer touched on this in his budget statement to the parliament—that is within the bounds of the adjustments that have been made in the private sector. It is below that of the private sector. The Treasurer's budget speech identifies the percentage by which public sector wage movement has been managed. I would like to thank all the officers who have been at the table for their support in preparing the responses as sought by members of the committee.

The CHAIRMAN: I declare the examination of these votes completed.

Auditor-General's Department, \$9 254 000

Membership:

Mr Foley substituted for Ms Key.

Departmental Advisers:

Mr K. MacPherson, Auditor-General.

Mr I. McGlen, Director of Audits (Policy, Planning and Research).

Mr T. Knight, Manager, Administration and Finance.

The CHAIRMAN: I declare the vote open for examination.

Mr FOLEY: It has clearly been a busy year. This year a lot of extra work has been requested of the Auditor-General by the parliament, and I would like to ask some questions about that. In some earlier work undertaken by your office, you estimated that the sale of ETSA could be expected to provide a budget benefit of between \$35 and \$65 million. The government has indicated that its calculations have those savings at \$109 million per year. Are you able to offer any comment on the fact that there is a large difference in what you estimated and what they are suggesting, and would it be your intention to comment on the accuracy of those figures in your subsequent audit reports for this financial year?

The Hon. J.W. Olsen: In his budget speech, the Treasurer indicated clearly the advice he had received from Treasury indicating that the net benefit to the budget in the 2000-1 financial year would be an interest saving benefit of \$109 million. The Treasurer also said that he was proposing to advise the parliament further on an annual basis as to savings in subsequent years from that. Had we the opportunity to go to the market in a timely way rather than enduring a period of frustration of 500 days through the parliament, there is absolutely no doubt that the return to the taxpayer of South

Australia would have been substantially more than will be the case. That outcome most probably meets the political objectives of those opposite. However, in the interests of maximum debt retirement of South Australians in the future and, importantly, of South Australian taxpayers, it is almost criminal that this matter was not progressed in a more timely way through the parliament, because all South Australians clearly would have been beneficiaries of that outcome.

Mr FOLEY: I rise on a point of order, Mr Chairman. The Premier has suggested a potential act of criminality by members of parliament. I ask that he withdraw that remark and apologise.

The Hon. J.W. Olsen: It was within context. If the member for Hart understood the context in which—

Mr FOLEY: The Premier suggested that the parliament could have acted in a criminal manner. I ask him to withdraw and apologise.

The Hon. J.W. Olsen: It was in the context of painting the rhetorical picture of the outcome of the honourable member's no policy, no ideas, no initiative, bloody-minded approach to this initiative in South Australia. Have I suggested that you personally were involved in any criminal activity? Of course not. The member for Hart would not stoop to that. However, the sum total of the actions is that the taxpayer is short changed.

Mr FOLEY: The Premier talked of 500 days. It would have had to be only 560 days. Then he could have announced it in his election speech in the lead-up to the 1997 election and things could have been a lot different. If the Premier wants to talk about 500 days, let us talk about 560 days when he had a perfect opportunity to explain his intentions in the lead-up to the election.

The Hon. J.W. Olsen: I cannot understand the comment '560 days'.

Mr FOLEY: Well, a couple of months before you brought it into the parliament, had you been open and honest to the electorate, things could have been very different. You could have claimed a mandate.

The CHAIRMAN: Order! Does the member for Hart have a second question?

Mr FOLEY: I certainly do, sir. We could be here all night debating who said what and when. On a more specific issue of the budget line for the Auditor-General's office, I notice, Mr MacPherson, that you are indeed—

The CHAIRMAN: Order! I remind the member for Hart that he is questioning the Premier. It is up to the Premier to determine whether he wishes to ask the Auditor-General to respond.

Mr FOLEY: Certainly. Clearly, the workload of the Auditor-General's office has been substantial this year, in no small part as a result of the actions of this parliament. I notice, indeed, that you are having to dip into retained earnings to balance the budget this year. That cannot happen year on year. How will you be addressing the funding needs of the Auditor-General's office? My reading of your budget papers suggests that you will have a deficit in this year's budgeting and you will have to eat into retained earnings, according to page 1.61 of budget book 4.

The Hon. J.W. Olsen: My understanding is that \$894 000 has been—

Mr McGlen: —appropriated to the Auditor-General's Department for special investigations.

The CHAIRMAN: Is the Premier answering this question?

The Hon. J.W. Olsen: I was, but by all means Mr McGlen can answer it.

Mr McGlen: The department was given approval by the Treasurer to incur \$894 000 for special investigations. That was given to the department this year on the basis that \$500 000 would be spent this year and \$394 000 would be spent next year. That is why there will be a run-down in the cash balances next year.

Mr FOLEY: In relation to the extra workload that you have undertaken this year, a substantial part of it is the work required—

The Hon. J.W. Olsen: My extra workload?

The CHAIRMAN: The question is directed to the Premier.

Mr FOLEY: In relation to the extra workload required in the office of the Auditor-General, particularly about the reporting of ETSA, I would like to know when the Auditor-General intends to table the final reports into the sale of ETSA distribution and, indeed, the reports into Optima Energy.

The Hon. J.W. Olsen: I ask the Auditor-General to respond to that question.

Mr MacPherson: The majority of the reports in relation to the disposal process will hopefully be completed and be tabled in the parliament at the same time as the annual audit report. The final report, which requires us to give an overview of the whole process, will be done within six months of the final disposals.

Mr FOLEY: Are there any issues which the Auditor-General may have uncovered or be concerned about in relation to the sale process to date and which would require the select committee's being called together?

Mr MacPherson: The short answer to that is that the natural justice process with respect to issues that we have raised with the ERSU disposal unit and the Treasurer have not yet been finally responded to. Until we have seen what they have to say, I think I would be premature in suggesting that we should reconvene the select committee. That is basically all I can say on that issue at the moment.

Mr FOLEY: Does that mean there are, clearly, some issues that still need to be resolved?

The Hon. J.W. Olsen: As much as you might like there to be some, you should not jump to that conclusion. I suggest you wait until the Auditor-General undertakes the appropriate assessments, makes a value judgment, and reports or brings it to the attention of the select committee.

Mr HAMILTON-SMITH: My question is in relation to how the Auditor-General's budget is spent, and page 1.61 of Portfolio Statements: budget paper 4, volume 1. I notice it is well in excess of \$9 million and that most of it (\$5.163 million) is spent on employee entitlements, and other supplies and services (\$1.658 million). I wonder whether the Premier or the Auditor-General at the Premier's direction could explain the structure within the department and how that money is spent in order to achieve the objectives?

Mr MacPherson: I will answer the question. The majority of our budget is committed to the payment of salaries and wages. In addition to that, we employ various consultancies which have amounted to only \$250 000 each year in the past. That has been the general trend. So, the deployment of the majority of our funds is on salaries and wages and the discharge of the audit mandate.

Membership:

Mr Wright substituted for Mr Rann.

Mr HAMILTON-SMITH: By way of a supplementary question, how many full-time equivalents are there in the Auditor-General's Department?

Mr MacPherson: A total of 106.

Mr HAMILTON-SMITH: Is there any scope to reduce that budget expenditure in the coming years by making use of information technology or other economies that are envisaged. Is there any way to reduce that cost? It has been said from time to time that it is a large expense, an important one, but I wonder if there is scope to get it down.

Mr MacPherson: The short answer is that there is probably scope. I make the general observation that our budget is more than comparable in terms of being on the favourable side as against other audit offices in Australia. This year we are introducing a new audit methodology which is based on the methodology used by Deloitte International. That will computerise the entire audit process with appropriate adjustments which will be introduced by us to satisfy the control environment required of government and quality assurance needs of government. There will be a move to increase computerisation, and that may well lead to a situation where there can be a reduction in staff.

There is a further nuance on that theme. With the disposal of a series of government business enterprises, there is a reduction in the number of audits, but the flipside of that coin is that we have now reduced what one could probably refer to as the buffer stock of government. If something did go wrong, there is far more limited capacity to recover it from assets. That means that the audit risk approach will be focused on the question of the operations of government to identify where those operations may give rise to a contingent liability that may arise in the future. So, the audit risk will shift.

Mr HAMILTON-SMITH: Page 1.66 of the same document refers to the cash flows from receipts. I am seeking guidance from the Auditor-General at the Premier's direction. I note that it is \$7.913 million in fees for audit. Is that a form of transfer pricing, in effect? Is the practice of the department to charge the department being audited a fee for service? That is obviously not covering all your budget, but is there scope for it to cover a more complete amount. It is virtually an exchange from department to department, is it not?

Mr MacPherson: It really is a revolving door in terms of moneys passing within government. It does indicate that, as the Premier has just pointed out, there is transparency and accountability within agencies as to the amount that is being expended by each of them on the audit service they are receiving, and it allows us to account for the receipt of that in terms of the net that we draw on the Treasury.

Mr HAMILTON-SMITH: What costs are involved in this process?

Mr MacPherson: The Treasurer each year approves a series of costings for us in terms of managers, directors and the like, and those costings are passed onto the agencies.

Mr FOLEY: I would like to turn to the Hindmarsh Soccer Stadium issue. At this point I would like to acknowledge in the House the Hon. Julian Stefani from another place. It is good to see the Hon. Mr Stefani watching estimates committees.

The CHAIRMAN: Order! That was not appropriate: the member for Hart knows that.

Mr FOLEY: I am sorry; it is just parliamentary politeness. With respect to the Hindmarsh Soccer Stadium report, can the Premier or the Auditor-General comment on how that

report is progressing and indicate when the parliament might be likely to see the final report?

The Hon. J.W. Olsen: I am advised by the Auditor-General that he would anticipate reporting by the time of the annual reports. The Auditor has indicated to me that the caveat on that is subject to any natural justice issues that might arise during his inquiries and investigations.

Mr FOLEY: I certainly acknowledge that natural justice should be served throughout this process. The Minister for Tourism has indicated to this House that there was an alleged theft from her car of cabinet documents concerning the Hindmarsh Soccer Stadium. Is the Auditor-General aware of which documents were stolen, and has this had any material effect on his investigation?

The Hon. J.W. Olsen: I am advised by the Auditor-General that that is a matter he will address during the course of his inquiries.

Mr HAMILTON-SMITH: Sir, I raise a point of order. The point of this session is to seek the Premier's guidance on the budget for the Auditor-General's Department and that budget line but we are straying into areas that are not relevant to that purpose. I seek your guidance, sir.

The CHAIRMAN: The chair is trying to provide some flexibility but I do agree that, in the last quarter of an hour or so, the questioning has strayed from the information that is before the committee.

Mr FOLEY: I take it from the answer that the issue of the alleged theft of documents from the minister's car will be a matter commented on in the Auditor-General's Report when it is tabled?

The Hon. J.W. Olsen: The member for Hart is wanting to get a headline rather than looking at the substance of the budget papers for presentation before the committee today. An investigation is being undertaken by the Auditor-General. Can I suggest to the member for Hart that he ought to leave it alone and let the Auditor get on with his job, and then make a value judgment on the report of the Auditor-General?

Mr FOLEY: I thank the Premier for his words of wisdom—

An honourable member: His gratuitous advice.

Mr FOLEY: His gratuitous advice. I learnt all these bad habits from many years of watching the Premier in opposition.

An honourable member interjecting:

Mr FOLEY: That is a nice compliment to pass to your leader. I turn to the issue of auditing within government. I note that a number of statutory authorities for which the Economic and Finance Committee is responsible—many of the catchment boards and the small statutory authorities that have been set up by government—have a reasonable audit requirement. Is the Auditor-General undertaking that work for these agencies, or are those audits undertaken outside of government?

The Hon. J.W. Olsen: The Auditor advises that the Auditor-General or his agency or department undertakes those audits.

Mr FOLEY: I have a supplementary question. Can the Premier name which government agencies are not currently being audited by the Auditor-General?

The Hon. J.W. Olsen: The Auditor-General advises me that his agency, effectively, manages all audits. If it is not done internally within the audit office it is done on a contract basis—however, still to the Auditor-General.

Mr Foley interjecting:

The Hon. J.W. Olsen: Yes.

Mr HAMILTON-SMITH: I refer to page 1.61, budget paper 4, volume 1. I note consultancy expenses of \$788 000 with respect to the operating statement. Can the Premier say how the Auditor-General may have expended that consultancy funding? In particular, can he also explain whether there is scope for further consultancy—whether that might be a way to reduce the overall budget and reduce the number of people?

The Hon. J.W. Olsen: I will ask the Auditor to respond to that question.

Mr MacPherson: The short answer is that that figure includes a substantial amount, several hundred thousand dollars, on special investigations—for example, the ETSA inquiry and those types of things. I mentioned previously a quarter of a million dollars in general consultancies but the figure there is bloated by the fact that that includes these special investigation costs that we have undertaken.

Mr HAMILTON-SMITH: What sort of consultancies does the Auditor-General engage? Is it the practice to, for example, outsource certain accounting functions? What sorts of tasks would be outsourced?

Mr MacPherson: It certainly includes the outsourcing of the audit functions to private firms to undertake audits under our direction. In addition, it includes a series of consultancies for specialist legal work, specialist accounting work and any other specific specialist type of consultancy that we believe is important to discharge the audit role. I know that there is a government direction that suggests that consultancies are to be reduced. But that is an administrative direction, and the provisions of the Public Finance and Audit Act would mean that that type of direction does not apply to my department.

Mr HAMILTON-SMITH: I seek the Premier's advice on how the Auditor-General's office operates in terms of whether it owns or leases its premises and equipment. I note that there are expenses for depreciation and amortisation, and there also have been some sales of property. Can the Premier explain how that all works?

Mr MacPherson: We pay an annual rental to DAIS for the space we occupy on the ninth and tenth floors of the State Administration Building.

Mr HAMILTON-SMITH: Is any funding provided to the Auditor-General in the budget for the purpose of ensuring security of documents and information during the course of the Auditor-General's work; if so, is it adequate, or is that an issue that requires particular budgetary attention?

Mr MacPherson: We have never had an issue with respect to the security documentation undertaken by us within our own department on the ninth and tenth floors. The custody of that documentation is important only during the inquiry and, after that is finished, it is then removed to an archival-type arrangement where it is secured by the archives people.

Mr FOLEY: I would like to come back to an earlier comment that the Auditor-General made, which I think would be an interesting point on which to expand, and that is the issue of the large amounts of government assets that have been sold, putting aside the political arguments for and against that, and the statement that, because we no longer have as large an asset base as we had, that requires an increased audit and, I assume, increased sophistication in the way in which we audit affairs of government and state finances. Could the Auditor-General expand on those comments that he made?

Mr MacPherson: The reason I mentioned that was that Audit has the responsibility of ensuring that the audit risk is

minimised to the maximum extent possible. It really means that at this time we will be focusing on the issue of contingent liabilities into the future. I am not saying that there is an issue there at all at the moment, but it is a matter that we need to be conscious of in managing the audit risk.

Mr FOLEY: Can the Premier expand on what he sees as the contingent liabilities involved?

The Hon. J.W. Olsen: What we have now is the member for Hart pursuing a fishing exercise. If the member for Hart wants to ask some politically-oriented policy questions, I will answer them. If he wants to ask questions in relation to the Auditor-General's budget, the basis of the examination before the table, I would be pleased to receive the questions and ask the Auditor-General to respond.

Mr FOLEY: I am just asking the Auditor-General to expand and clarify.

The Hon. J.W. Olsen: I know exactly where the member for Hart was going with those questions. I am just being a realist: I have seen the member for Hart at work.

Mr FOLEY: Will the Premier or Auditor-General comment on what contingent liabilities the Auditor-General was referring to?

The Hon. J.W. Olsen: The member for Hart is asking for an explanation of something that is simply going to be further investigated, taken into account, brought into mind, on which subsequently the Auditor, if he has concerns, without fear or favour will report to the parliament.

Mr HAMILTON-SMITH: What salaries, wages and annual leave provisions apply generally within the Auditor-General's Department? Do standard Public Service conditions apply or are there contracts and separate arrangements for members of the department that vary from the norm?

Mr MacPherson: There are really three categories: the category that the Auditor-General personally is in, which is a statutory appointment for which funds are appropriated; there is the executive category, where each of the executives is employed on a contractual basis within the Public Sector Management Act, with a fall-back position; and the rest of the staff are employed under normal public sector conditions, as are the executives, I might add.

Mr HAMILTON-SMITH: I refer to page 1.61 of the Portfolio Statements. We have talked about consultancy expenses. There is \$1.658 million there for supplies and services, and I am seeking guidance on what those supplies and services might be. Are they outsourcing, again, of certain needs of the department? Perhaps there could be some elaboration on how that money is spent.

Mr McGlen: The large proportion of those fees is actually the contract payments to audits that have been contracted out to the private sector. In addition, they are the general type of expenses that are incurred, but that is primarily contract audits that have gone out, be that a review of EDP systems or actual financial or test audit work that has gone to the private sector.

Mr HAMILTON-SMITH: They are similar to the consultancy expenses, which are not audit expenses; is that right?

Mr McGlen: The consultant expenses are more of the legal-type work. They are also associated with developing some of the corporate systems we have in-house. There are some consultants' fees associated with the implementation of the new audit methodology, but the actual contracting-out of audit work comes under the other supplies and services line.

Mr HAMILTON-SMITH: If we add those two together, it would be well over \$2 million. Would it be fair to say that

well over \$2 million worth of expenses are associated with outsourced services, be they legal, accounting, audit or whatever, and that that \$1.658 million plus the \$788 000 combined is outsourced work of one form or another?

Mr McGlen: Approximately \$700 000 is contract audit fees and approximately \$700 000 is consultants, although the bulk of that relates to special investigation work currently being undertaken.

Mr HAMILTON-SMITH: The remainder of the work would be done by the 106 or so people?

Mr McGlen: That is correct.

The CHAIRMAN: There being no further questions, I declare the examination of the vote completed.

The Hon. J.W. Olsen: I thank the Auditor and his staff for being present today and for the preparation of the submissions before the committee.

[Sitting suspended from 6 to 7.30 p.m.]

South Australian Tourism Commission, \$46 864 000
Minister for Tourism—Other Items, \$59 859 000

Witness:

The Hon. J. Hall, Minister for Tourism.

Departmental Advisers:

Mr W. Spurr, Chief Executive, South Australian Tourism Commission.

Mr C. D'Ortenzio, Commercial Manager, South Australian Tourism Commission.

Mr A. Daniels, General Manager, South Australian Motor Sport Board.

Membership:

Mr Venning substituted for Mr Condous.

Ms Ciccarello substituted for Mr Foley.

The CHAIRMAN: Minister, as you would appreciate, the estimates committee is a relatively informal procedure. The committee will determine an appropriate time for consideration of proposed payments. I presume that the minister and the lead speaker for the opposition have agreed on a timetable.

The Hon. J. Hall: We have, Mr Chairman.

The CHAIRMAN: The minister might later indicate to the rest of the committee what that timetable is. Changes to the composition of the committee will be notified to the committee as they occur, and I ask members to ensure that they have provided the chair with a completed request to be discharged from at the appropriate time. If the minister undertakes to supply information at a later date, it must be in a form suitable for insertion in *Hansard*. Two copies need to be submitted to the clerk of the House of Assembly no later than Friday 30 June.

It is my intention to provide the opportunity for the minister and the lead speaker to make a statement if they so desire. There will be a flexible approach to giving the call for asking questions based on about three questions per member. Members will be allowed to ask brief supplementary questions to conclude a line of questioning, but I suggest that supplementary questions should be recognised as an exception rather than the rule.

Subject to the convenience of the committee, a member who is outside the committee and desires to ask a question will be permitted to do so once the line of questioning on an

item has been exhausted by the committee. However, an indication to the chair in advance from the member outside the committee wishing to ask a question is necessary.

Questions must be based on lines of expenditure as revealed in the estimates statement. Reference can be made to other documents, including the Portfolio Statements, but I ask that where possible members identify a page number or the program in the relevant financial papers from which the question is derived. It helps everyone if that is done. Questions not asked at the end of the day can be placed on the next day's House of Assembly *Notice Paper* or asked as a question without notice.

I remind the minister that there is no formal facility for the tabling of documents before the committee. However, documents can be supplied to the chair for distribution to the committee if that is the wish of the minister. The incorporation of material in *Hansard* is permitted on the same basis as applies in the House, that is, purely statistical and limited to one page in length.

I remind members that all questions are to be directed to the minister, not to the minister's advisers. The minister will then be given the opportunity to answer every question as it is asked or refer those questions to an officer to answer that question. I also advise that, for the purposes of the committee, some freedom will be allowed for television coverage. I invite the minister to make an opening statement.

The Hon. J. Hall: Following a discussion with the member for Lee this afternoon, we have agreed that we will range across the portfolio agencies. The 1999-2000 financial year stands as a very significant time for the tourism portfolio and for our tourism industry generally. It has been a time marked by continued growth and economic success, by greater industry stability and confidence, and by a commitment to build the foundations that will ensure that this success is both long lasting and beneficial to our state as a whole.

South Australian tourism has, in my view, truly come of age. It is one of the brightest beacons on our state's employment scene, with estimates of the number of South Australians employed in tourism-related activities ranging from 32 000 to 45 000. That is more than the wine industry, it is more than aquaculture and it is even more than our most important automotive sector. Perhaps most importantly, tourism is a high employment, labour-intensive service industry that shares the benefits throughout our state, so from city hotels to outback farmstays, through restaurants, souvenir shops and kiosks, transport operators and hire car companies, the positive effects of tourism are truly spread between our city, suburbs and regional areas. More than half of our state's record number of 317 000 international visitors in 1999 visited some of our unique and diverse regional attractions. Overall local, interstate and international visitors made an estimated 5.7 million trips around our state last year.

Tourism, travel and hospitality are recognised both nationally and globally as one of the world's fastest growing industry sectors. This government is determined that South Australia will get to share in these benefits. As a state we have increased our share of international visitors from around 6 per cent a few years ago to nearly 8 per cent today. We have been responsible for starting and sustaining one of the most targeted and strategic domestic marketing campaigns in Australia's history: the now well established 'secrets' campaign. I look forward to elaborating on many more of our marketing activities, initiatives and plans during questioning.

Our marketing has continued to be supported by the work of our extremely successful and professional major events organisations which provide enormous exposure for our state and give visitors yet another reason to travel to South Australia. The last 12 months have seen South Australia's reputation for staging well-attended world class events continue to grow. One-off events such as the Australian Masters Games and the Golden Oldies rugby were supplemented by now well-established hallmark events including the Adelaide International Horse Trials, Tasting Australia, Tour Down Under and Clipsal 500. Over the next 12 months we will also host the Olympic Games football and the unique Le Mans 'Race of a thousand years' on New Year's Eve.

In my view we need to be ever vigilant in maintaining, developing and growing our events. We must still be aware of poachers from the east bearing big cheque books. In an act that South Australians can certainly relate to, Victoria's major events unit recently snared the Heinekin Classic golf tournament from Western Australia. We must ensure that the quality of our events, our professionalism in running them, and the public enthusiasm for them are the reasons they stay here; not the size of our cheque book.

Just as we are building on our major events strategy, I am pleased to say we are building the very foundations required to continue growing our tourism industry; by that I mean new product and better infrastructure. South Australian travel operators are now promoting more diverse travel packages to our state than at any time in our history. The Tourism Commission is now working in a more targeted and focused manner than ever before to pursue new product opportunities in the key areas of wine tourism, outback experience and nature-based tourism. From an infrastructure perspective we have seen obvious examples of how important these product areas are. Over the last 12 months the new Barossa All Seasons resort has opened at Tanunda with an extensive upgrade of facilities about which we already know. Also Arkaroola Wilderness Sanctuary has a magnificent new upgrade of facilities in the Gammon Ranges—another facility of which we are very proud.

We have also opened up new airstrips, sealed more roads, started an innovative new regional signage program and provided \$1 million towards a diverse array of minor infrastructure projects around our state. As well as maintaining creative marketing campaigns, delivering new projects and developing new infrastructure will continue to be a focus of the Tourism Commission throughout the next 12 months. Once again I look forward to elaborating on these plans in reply to questions.

The key factor to our success over the past year has unquestionably been the stability and leadership provided by the individuals heading up the various agencies within my portfolio. I very deliberately single out Bill Spurr and his extremely dedicated, professional and creative team at the South Australian Tourism Commission. Last year I welcomed many new executive appointments at the commission. I am delighted to say that this year I can thank all of those people for their continued hard work and determination in supporting one of the most dynamic and fastest growing industries in our state.

Perhaps the most symbolic activity taking place within our tourism industry at present is the expansion of the Adelaide Convention Centre. This \$85 million project will double the centre's lettable floor space, ensure that it continues to one of the world's top 10 outside the United States, and will

provide another iconic building within our river bank precinct.

The significance of the Meetings Incentives Conventions and Exhibitions sector (MICE) within the tourism industry cannot be understated. Twelve years ago it was worth only \$450 million to Australia. Now, that industry sector is worth more than \$12 billion. In just the past six years the value of the MICE industry to South Australia has more than doubled to \$540 million, and with the Convention Centre's expansion that growth is set to continue and escalate. I also acknowledge and thank the boards and management teams of both the Adelaide Convention Centre and the Adelaide Entertainment Centre for their professionalism and success at again delivering strong operating profits over the past 12 months.

Both will face their challenges this year. The construction interruptions at the Convention Centre expansion will impact on its bottom line this year, while the Olympics will impact on the bottom line of the performance venues throughout our country. However, both organisations have planned for these occurrences and have even stronger futures ahead of them. Our overall tourism industry faces some very diverse challenges. The implementation of the GST, maximising post Olympics opportunities, maintaining and expanding our market share as tourism from Asia recovers and competing against the big marketing and events budgets of our eastern states neighbours are all issues we must address.

However, I am confident that we have the right team in place, the right strategies in place and the combination of creativity, determination and cooperation to achieve our goals. I look forward to elaborating on these issues during questioning and to returning again next year to outline again what I am confident will be another booming year for our tourism industry.

Membership:

Mr Venning substituted for Mr Condous.

Ms Ciccarello substituted for Mr Foley.

The CHAIRMAN: I declare the proposed payments open for examination and refer members to pages 30, 31 and 32 in the Estimates Statement and volume 1, part 1 of the Portfolio Statements. I have noted in the agreement that we will be dealing with tourism development, then the Adelaide Convention Centre and then the Adelaide Entertainment Centre. It is agreed that the committee will not deal with them in any particular order. The member for Lee.

Mr WRIGHT: Page 1.44 refers to additional funding of \$2.9 million provided for the coordination of Olympic soccer. Is that figure a part of the \$6.6 million, which previously the government advised is the expenditure for Olympic soccer, or is that amount in addition to that \$6.6 million?

The Hon. J. Hall: It is part of the original allocation. It has been allocated only this year. It is part of the original allocation of \$6.6 million.

Mr WRIGHT: With respect to the Olympic soccer matches being awarded to South Australia, one area in which we are all very interested, in addition to the obvious, relates to the benefits that the matches would bring to South Australian businesses. Since that time SOCOG has decided not to use local companies such as Bass or Venue-tix for its ticketing purposes, despite the fact that local soccer is ticketed by Venue-tix. I understand that recently the security contract for Olympic soccer, which includes security at Hindmarsh Stadium, training venues, team hotels and the airport, was awarded to a Victorian company, Advent

Security, ahead of local companies, such as Weslo Crowd Control, which provides security at most of South Australia's major events, including soccer, football and the Adelaide 500, to give a few examples.

What action will the government take to ensure that the interstate company awarded the Olympic soccer contract at least pays full award wages, is licensed as a crowd control company in South Australia and employs only licensed crowd control staff?

The Hon. J. Hall: The contract to which the member for Lee refers went out to tender as a normal process within government and was handled by DAIS, as I suspect the member for Lee knows. The security working party of the Olympic football task force includes people from the South Australian Police Department who are working to manage that contract and, of course, all conditions and licence requirements will be met. My understanding is that the people who won the tender are establishing an office in South Australia. I think that the name of the company is Advent Security. The tender was handled in the normal way that tender processes are handled within government through the supply department. The recommended tender was made on 12 May.

Mr WRIGHT: Obviously we cannot have a situation where South Australian companies, if they do not compete successfully, are given bids ahead of companies interstate in terms of price, quality of service, or whatever. The government specifically stated that South Australian businesses would capture a big share of the opportunities as a result of Olympic soccer matches coming to South Australia which, of course, we are all delighted about, especially in light of the recent draw. It is fabulous for this state to get such a quality draw with nations such as Italy, Nigeria and Spain. South Australia's drawing Italy is particularly fabulous for obvious reasons. That is a fabulous result for us as a state. As we get closer to the event, what policy action is the government taking to assist local companies to bid for and win contracts associated with Olympic soccer? Obviously, that is one of the spin-offs from which we would hope to benefit as a result of this great event being held in South Australia.

The Hon. J. Hall: The transport tender was won by a South Australian company, and the construction tender is being conducted by a South Australian company. I understand that the company that won the security tender intends to employ approximately 80 per cent of its work force using South Australians. I know the member for Lee is not suggesting in any way that we should interfere with the well established tender process; I accept that. However, when these processes are put in place, they are obviously put in place for very good reasons. Thus far, the record is pretty good with the benefits coming to South Australian companies.

Additional Departmental Advisers:

Mr G. Ashman, Deputy Chief Executive Officer, Adelaide Convention Centre.

Mr M. Elliott, Financial Controller, Adelaide Convention Centre.

Mr M. Delgado, Project Director, DAIS—Major Projects Group.

The Hon. J. Hall: I would like to record an apology from Peter van der Hoeven, who was unable to be with us, because he is overseas winning more business for the Convention Centre.

Mr WRIGHT: Obviously the opposition acknowledges that the convention market is an area where South Australia has performed better than the national average over a number of years. The opposition—particularly the Leader of the Opposition and I—acknowledges the great work that has been done by Bill Spurr and Belinda Dewhirst in those areas. We also support an upgrade of the Convention Centre to further increase market share. We do not do it just tonight: we have done it on the public record consistently and regularly.

However, I will ask two or three questions about legitimate concerns that have been raised inside and outside the parliament regarding the financial performance of the Convention Centre. In particular, I raise the matter of spiralling costs of the upgrade which stand at some \$85 million, up from \$55 million in the 1998-99 budget. That is a blow-out of some 55 per cent. In addition, the Riverbank project, which was included as part of the Convention Centre upgrade project in last year's budget, will now cost an additional \$13.5 million, on top of the \$85 million. I refer to budget paper 5, the Capital Investment Statement (page 7). Why has the cost of the extensions blown out by \$30 million, in the order of 55 per cent?

The Hon. J. Hall: I acknowledge the very strong bipartisan support that has been given to this project and for that not only I, but I am sure for the Convention Centre and all those involved with the expansion of it, am very pleased. First, I would like to refer to Riverbank because, whilst the expansion of the Convention Centre is part of the Riverbank project, I am not the minister responsible for it. The Riverbank proposal is looked after by and the responsibility of a cabinet committee that is chaired and headed by the Treasurer (Hon. Rob Lucas), and there are two other ministers—my being one of them—on that committee. Riverbank is actually a separate working entity from the expansion of the Convention Centre.

I would argue most strongly that this is not a blow-out from \$55 million to \$85 million. My understanding is that, when the \$55 million figure and proposal was agreed to, it was a concept for the expansion of the Convention Centre for all the reasons that we know and understand. It was also a 1997 estimate, and it was done in the absence of the Riverbank proposal. So, the initial concept of the expansion of the Convention Centre was a singular project standing by itself, not part of the Riverbank proposal. When the Riverbank proposal was put to cabinet and agreed as policy decision, it included a number of changes, some of which were operational advances to the operation of the actual centre. A number of them were very significant design changes, but one in particular was the importance that the government places on opening up that whole precinct with the north-south link; therefore, rather than all buildings turning their backs on our very main and important River Torrens, it would be opened up to be the face of so many of the developments and proposals for that area.

So the north-south link was important. The numbers of operational improvements and design improvements were all important in the change. The option that was finally agreed to by cabinet and by the government was a quite different proposal from that of the original \$55 million project to which the member for Lee referred. The other aspect of it, which is extremely important to mention, is that it has been declared the centenary of federation project for the state and it is claimed to be one of the most important iconic buildings that we will have in our capital.

Mr HAMILTON-SMITH: I want to ask the minister about the forthcoming Le Mans race. In so doing, I note the success under a previous government of the Formula One Grand Prix that was held here for so many years. Unfortunately, we were out-manoeuvred by a faster moving Liberal government in Victoria and lost that race. I think it is a credit to the minister and her current team that we have attracted racing back to South Australia. It is exciting for young people; it is noisy, it is loud, but it adds a lot of value to what we offer in this state in the way of attractions.

In referring to budget paper 4, volume 1, page 1.21, I ask the minister what funding is in place and what arrangements exist for the Le Mans race to be held on New Year's Eve this year; and what benefits and return on that investment does the minister expect the event to deliver for South Australia?

The Hon. J. Hall: I thank the member for Waite for not only his question but also for his absolute support from day one about this very exciting race; there is no doubt that the member for Waite is clearly a petrol head—and this is to be encouraged. As the honourable member said, there is absolutely no doubt that it will be one of the most exciting events we have had in Adelaide for some time, although I do think we could say that about many different events that have been so successful over many years.

I rather cheekily believe that Adelaide is clearly the place to be over the new year period this year, and I am sure that the celebrations we will be having here in South Australia for this race will rival the great celebrations held in Sydney last year. With our unique history of motor sport and our absolute excellence in motor sport reputation, there is no doubt, in my view, that we will be able to do it again. I am very pleased about that because it is not just Le Mans on New Year's Eve but, clearly, with the record of two absolutely magnificent Clipsal 500s behind us, the uniqueness of this is that it is not the government taking all the risks.

We have the extraordinary Panoz motor sport organisation involved and wanting to come to Adelaide to stage this race. It is clearly involved in that capacity as the main promoter of the race. Mr Don Panoz himself coined the phrase, 'The race of 1 000 years', because he believes the beginning of the new millennium is 2001 and not 1 January 2000. The government is paying a licence fee and sharing the cost of the circuit construction, and that essentially is where our government involvement is capped. At this stage, as a result of our experience with the Clipsal 500 and having regard to other motor sport activities around the country, the estimated economic benefit is said to be in the order of about \$30 million but, from another perspective, one of the exciting aspects of it is the worldwide television coverage.

When you have a budget the size of the South Australian Tourism Commission's budget, worldwide television is something about which we are very excited. We will be going onto prime time television NBC Live between 4 p.m. and 6 p.m. in America, so it is a great viewing time. We will be on Eurosport, Asia Star TV, and many other global networks. That television coverage will be quite extraordinary. Already we are starting to see some of the benefits coming through. I understand that, as of earlier this week, 1 500 rooms have been booked within the city area and that is generating 7 500 room nights over the course of the event.

The interest so far is mainly out of Europe and the United States, and booking agents are actively selling the Adelaide tourism product there. That is very exciting because we know so much of it will end up in our regions. There is a report in the paper this morning that confirms that more than 60 per

cent of the corporate suites have been sold. I understand that Audi, the very successful automotive company, has decided to charter a 747 to Adelaide for its American corporate guests for the race and they will then spend several days touring our state. That is an amazing benefit for the state, I would have thought.

Another aspect of this race is that very soon we will be involved in a very extensive consultation process to ensure that we manage things well because of the particular time of the year. It is incredibly important for us. We know it is a one-off on New Year's Eve, but it is very important for us that the benefits are wide and that the South Australian community and our visitors enjoy the occasion. We are very conscious that we need to turn the Le Mans celebration into a boom for city traders because of that particular time of the year, and we want to make it as easy as possible for trading while simultaneously bringing many thousands of visitors into the city centre.

As the member for Waite knows, it will be the last race of the world series and more than 750 people are involved in the support crews that are coming to Adelaide for the race. We know from the inquiries that we are already getting that they are not only wanting to stay on but also making plans to stay on and be involved in looking around our state. As we know, the circuit will be run on the longer circuit, which is the old grand prix circuit, and that means that Bartels Road, which is a key access route into the city, will be able to stay open longer—in fact, until the night before the event starts, which is very exciting. Needless to say, I am extremely excited about the prospect of this race and I most assuredly thank the member for Waite for his interest and support and urge him to keep bringing his friends from New South Wales to enjoy New Year's Eve in Adelaide.

Mr HAMILTON-SMITH: Thank you for that outstanding answer, minister. It builds on the success of the Clipsal 500 about which I would now like to ask a question. In relation to budget paper 4, volume 1, page 1.21, I ask the minister to explain the results of this year's Clipsal 500 event. It seemed to me that it was quite unique compared with Formula One—and even Le Mans—in that it had a real appeal to the ordinary Australians who can drive these cars and really relate to the event in a special way. I think that was evidenced by the turnout. Was this year's event more successful than the inaugural Sensational 500; are we going upwards in terms of return on investment we have made; and what planning is under way in relation to construction timetables for next year's event?

The Hon. J. Hall: Again, I thank the member for Waite for his question because it is most important that we get a handle on understanding some of the detail about this race. This year was more successful than the first race in 1999 which, I think, is a great credit to the organisation that went into the first race and certainly the organisation and the team involved in the second race just a couple of months ago. Some interesting research which is coming out is quite fascinating. I understand that a planning day was held today—and Mr Daniels has yet to give us a detailed report on some of the research and recommendations that will be put to us for next year's event.

This year, already we can say that 13 120 people have travelled from interstate and overseas, which is up compared to 6 700 the year before. That is a very dramatic increase in just 12 months. The event organisers, in conjunction with the South Australian Tourism Commission, specifically targeted New Zealand as the first overseas destination in which to put

a specific marketing campaign in place. Targeted wholesaler promotions, New Zealand media briefings and very specific cooperative marketing campaigns were put in place to receive the benefit of what we understood to be a very interested market out of New Zealand. One of the figures with which we are absolutely delighted is the increase from 700 visitors out of New Zealand for the first year of this event: this year that figure rose to 1 620. It is pretty exciting to see that the targeted benefits are starting to pay off so quickly.

We know that this year's event set a new Australian record crowd of 164 000 for the three days. The crowd figures were 43 000 on the Friday, 57 000 on the Saturday and 64 000 on the Sunday. Again, in terms of television coverage (in which I am always particularly interested), there was a live broadcast nationally on the Ten network for four hours on the Saturday and four hours on the Sunday. However, more importantly, for long term benefits, there was a live broadcast in New Zealand, Malaysia and South Africa and the event was broadcast on cable throughout South-East Asia, China and North America. That sort of television, when you top and tail with snapshots of our magnificent state, is incredibly important to us in the long term. Some of those benefits may not be realised for a few years but it absolutely reinforces our position in the international marketplace.

The other aspect of the Clipsal 500 is that, although we do not have the economic impact figures through yet (we are still waiting on a report, which is not expected to be completed until mid-July), we are expecting that the economic impact will be greater than it was last year—and that was \$13 million. Certainly, we are hoping for something significantly larger than that. One of the aspects about the race that is very important and quite different is the incredible level of support from the corporate sector. This year, there were more than 22 400 patrons over the three days, and there was a bigger corporate attendance than some of the Grand Prix events. It is quite amazing how seriously corporates are taking to this event, and how important they consider it to be. Another aspect of the event which I suppose is helping to share some of the benefits is the amazing street parties that were held over the weekend in the various precincts, including the East End, Hutt Street, Gouger Street and Hindley Street.

The other aspect of the event which I think is worth putting on the record is that the South Australian Police Force was very happy with the behaviour of the crowd. Whilst I am told there were several alcohol-related incidents, they were appropriately dealt with and it certainly did not cause any trouble. More than 20 000 stayed for the Suzi Quatro concert afterwards—the concert of legends—and if anyone can remember that amazing cloud burst towards the end of the race, it seems quite extraordinary to me that 20 000 people stayed to watch that concert. But they did. Obviously, the spectator support for the event is something that is already well entrenched in the psyche. Some 70 separate events were staged as part of the three-day carnival, and there was an enormous amount of positive feedback. I think it is a great tribute not only to the event organisers but also to the many hundreds of volunteers who very enthusiastically gave up their time to support the event organisers in a most professional way.

In terms of the construction and closure of roads, as the member for Waite knows, I was particularly concerned that there was a perception—and I stress that it was only a perception—that the road closures and inconvenience was longer this year than it was the first year and longer than in

the days of the Grand Prix. Therefore, I thought it was appropriate to undertake a review. The first meeting of that review committee was held on 2 June, and over the next few weeks I am sure there will be a series of discussions, and a report will be sent to me to see what recommendations can be implemented that come out of genuine public consultation and ideas that can make it better for everyone. Suffice to say that I am extremely enthusiastic about the events thus far and I look forward to the Clipsal 500 staging something bigger and better for the year 2001.

Mr HAMILTON-SMITH: Talking about alcohol-related incidents, I would like to ask the minister a question about the national wine tourism strategy which, in my view, is another example of building on our strengths. I refer to budget paper 4, volume 1, page 1.18, the output classes tourism and development. Can the minister outline how the government is responding to the national wine tourism strategy and positioning South Australia as one of the leading wine tourism destinations in Australia?

The Hon. J. Hall: It gives me very great pleasure to respond to this question because, as we all know, wine tourism is not only important to us at the moment but I hope that it gets to be far more important to us in the future. I know that the member for Schubert takes this issue extremely seriously, coming from one of the premier wine districts of the country—he would argue, of course, the premier wine district. Wine tourism was identified by the Australian wine industry strategy as a most important opportunity for our country, and a strategy was put in place to the year 2025. That document was released several years ago.

One of the most important issues that I thought our Tourism Commission had to contend with was how to take advantage of the work that had already been done on a national level and to make sure that in assisting to implement the national wine strategy we, of course, gained maximum benefit for South Australia out of it. So, we have established a ministerial advisory board, and it held its first meeting on 8 February this year. For the record, the members of that board are Mr Brian Walsh, an extremely well respected individual within the industry, Linda Bowes, Scott Collett, Wendy Hollick, Chris Laurie, Graham Mill, Sue Barton-Power and Andrew McEvoy, and Elizabeth Warhurst from the South Australian Tourism Commission. The national wine strategy is designed to generate clear commercial benefits to the partner sectors in wine tourism development. We in South Australia thought that it was most important that we develop our own objectives to capitalise on what had been set down nationally. So, we are working to make sure that the national framework is put into serious practice here.

Our new advisory board (which reports directly to me; it does not have to go through 15 000 structures in the process) is already looking at making quite a significant number of recommendations but one of its first tasks will be a research program on defining domestic and international visitors to cellar doors and their interest and requirements as it relates to wine tourism. So many of the different markets have different requirements. Clearly, international visitors are pretty interested in how to get the product back to their country of origin as soon as possible, and domestic visitors have a different set of objectives. So, that is one of the most important things that we are looking at. The board is also looking at the very important linkages between wine and food, food and lifestyle industries, service standards, education and training in the facilitation of infrastructure developments, and it is particularly interested in wine and

food trails. What they are looking at is pretty extensive, and I am hoping that the government will be able to embrace and implement over the coming months and years some of their recommendations. This board is holding bimonthly meetings and at this stage is choosing to meet in the wine regions across the state. I look forward to some pretty good results.

One of the initiatives it is looking at is the establishment of a wine calendar of festivals and events. The board is working in partnership with the South Australian Wine and Brandy Association, and that partnership is working pretty well, and I am pleased with the way that that is operating. The board is also looking at the enhancement of the South Australian Tourism Commission's web site. It wants a particular focus on wine tourism as one of our main features, so we are looking at that.

The member for Waite may not know that, with the opening of the Convention Centre next year, one of the first and most important conferences is the international wine congress, which is scheduled to take place between 11 and 18 October. This year, one of the most important conferences will be held in the Barossa Valley, and I am sure that the member for Schubert will know about it. Between 13 and 15 August the Australian Wine Tourism Conference, a very important and prestigious conference, will be held. Again, the Wine Tourism Advisory Board will be deeply involved in that. We hope to see some good results come out of the establishment of this board and the implementation of the national wine tourism strategy.

Mr WRIGHT: I now refer to page 1.36, budget paper 4, volume 1. In the grants and subsidies there is a significant difference between the budget figure of 1999-2000 and this budget of 2000-2001. Why has the grant paid to the Convention Centre increased by almost \$2.7 million (I have rounded these figures out), from \$3.3 million in the current budget to almost \$6 million in the coming financial year, and what will be the level of subsidy in coming years?

The Hon. J. Hall: I am advised that it is a one-off and that it is \$2.5 million for this year. We will not be needing it again, but it is specifically as a result of the potential drop-off in revenue because of the way in which the construction has affected conference bookings. I am assured that it is a one-off, in particular because advance bookings are going extremely well.

Mr WRIGHT: Page 1.37 details the operating revenue. The grant revenue figure for the 1999-2000 budget was \$3.293 million, but the result for 1999-2000 was \$4.75 million. How did that occur? There must be some explanation why there is such a large difference of about \$1.7 million from the budgeted figure.

The Hon. J. Hall: I am advised that the \$1.25 million involves funds that have been paid out from SAFA, funds paid to the Convention Centre that were used to run the railway station activities from the old ASER project and such things as the exhaust fan and general maintenance, and Treasury has treated it as a grant. It has actually been paid out by SAFA. Again, it is a one-off.

Mr WRIGHT: I would not want the minister's officers to think that I cannot subtract, but in my previous question I referred to \$2.7 million as an approximate figure and you came back and said it was \$2.5 million. If you actually do the figures it is \$2.667 million, so I do not know where the \$2.5 million came from. However, it is not a significant point.

I have one more question about the Convention Centre. The minister earlier referred correctly to the Convention Centre and the additions that are being done, and the

importance of it as an iconic event occurring as a result of the extension. As I understand it, a major contribution to this iconic status will be the curved glass wall facing the Torrens Lake. I understand that this north facing wall is six storeys high. What measures are being taken to minimise the airconditioning load, and have any estimations been made of the additional costs and environmental impact of having to provide a suitable temperature behind such a large glass area?

The Hon. J. Hall: The member for Lee has a very wicked sense of humour at this time of night. I have just been informed that it is 18 metres high. There is a special tinted glass and special overhangs are being treated. However, I will be happy to obtain for the honourable member the details of some of those technical aspects of the environmental impact that he is talking about. There is no-one sitting with me who can give that sort of technical answer, other than those two aspects that I have just mentioned.

Mrs PENFOLD: My question refers to budget paper 4, volume 1, page 1.20 and tourism marketing. Will the minister advise why the government relocated the South Australian Visitor and Travel Centre and will she inform us of the benefits of this relocation?

The Hon. J. Hall: I know that the member for Flinders has an absolute passion for improving tourism facilities and activities in her electorate. Perhaps with the opening of the new Travel and Visitor Centre at 18 King William Street we can entice more people to visit her electorate. I urge those members who have not yet visited the new centre, which was officially opened last weekend, to do so because they will develop a new pride in all that our state has to offer because of the magnificent way it is now displayed and the great, bright, confident feeling that they will get when they walk into the new centre.

One of the interesting things about the booming tourism industry in our state is that it has made us look at the way we have managed tourism thus far. I heard someone say on Saturday that the travel centre has moved back to its original home and many of us would recall the days when the tourism department was based there. What has happened there in the last few months to bring it to this stage is fantastic. There is no question that this has been designed specifically to have a customer focus on the entire tourism product of South Australia. When people walk into the centre, they want to book something because of the ease of access to information. The displays are now very easy for people to move around and everyone gets the opportunity to talk to one of our highly trained, professional consultants. We are hoping that they will get to be busier and busier throughout the year.

Last year, the number of visitors into the centre averaged 23 000 a month. That was up from the year before, when it was 19 000 a month. Telephone calls to the centre are now averaging 10 300 per month, and that is up from 9 500 the year before. We still have a way to go with emails, but they are averaging 300 a month, which is up from 250 last year. It is particularly important that we take advantage of the boom that is taking place and ensure that, when people go in there, they get the enthusiasm that we believe people should have about South Australia.

Members will notice that the name is now the South Australian Visitor and Travel Centre because we are aiming to put much more emphasis on visitors, as well as being a travel centre. The aim and objective remains to provide information and bookings for people who visit the centre. One of the reasons that the relocation has taken place is that a considerable saving will occur over a 10-year period, and

we are delighted about that because we will be able to put that into more marketing over that period. Apart from the original establishment costs and the new look that I referred to, from now on the savings that will result from the relocation will go straight into marketing.

People who remember the old travel centre will also know that downstairs in the basement there is an extremely impressive theatre that seats about 100 people, and we have made it very clear to the tourism industry generally that it can be rented out, at a very appropriate cost, for media launches and industry promotional activities. We hope that the industry takes advantage of it. The brochures and information racks in the new centre have been designed specifically for ease of access and, under the leadership of Mrs Pat Gobell, the centre's highly trained professional and very friendly consultants will ensure that everyone who comes into the centre goes out feeling good about the state.

The redefined focus has been made all the more important because of the need to upgrade computer facilities and to bring the travel centre well and truly into the age of technology. Whilst we have not quite got as many interactive sites as some of us would like, they are on the way and the interest that is being displayed and the number of hits on the web are certainly improving. I hope that people take a look at the centre and hopefully they will be as impressed as I was at Saturday's opening. It is extraordinary that more than 100 people from the industry gave up their Saturday afternoon to look at what we are doing, and there was a real pride among those members of the industry sector who joined us.

Mrs PENFOLD: I refer to budget paper 4, volume 1, page 1.20 and tourism marketing. I understand that a review of regional tourism was undertaken by the South Australian Tourism Commission this year and that, as a result of this review, increased funding has been made available to regional tourism bodies. Will the minister advise why the review was undertaken, what were its key findings and what new strategies have been undertaken in promoting regional tourism as part of it?

The Hon. J. Hall: In August last year I announced that a review of the current structure would be undertaken. I did that because there was concern in some regions about the effectiveness of the marketing, despite the very significant effort being made in a couple of the regions. It is fair to say that there was a view that there could be a better way. I decided that it was appropriate to review the particular regions that seemed to be most concerned, and they were the four combined regions of Adelaide and Adelaide Hills, Big River Country, Classic Country, and the Flinders Ranges and Outback.

The review comprised a group of extremely competent people, namely, the Chairman of the South Australian Tourism Commission Board (Roger Cook), Chief Executive (Bill Spurr), and the Chief Executive of PIRSA (Denis Mutton). I chose him because he had just completed a regional review and, given his experience, I thought it very important to take advantage of that. They held their first meeting at the end of August last year and I am astonished that they attended so many meetings in such a short time. They met with individual tourism marketing boards, with the chairmen of a number of boards and with representatives from the industry. They met with industry groups in pretty well all the regions and, by early November, they decided that they would soon be able to formulate their recommendations and send them to me.

Those recommendations involved a commitment to fund and support the marketing of distinct regional experiences rather than the administrative regions that were in existence, and to maximise tourism growth in each of the regions. Since that time, after looking at the findings of the panel, the commission has acted to disband the original Big River Country Tourism Marketing Board and Murraylands and Riverlands will now become separate tourism regions. I accepted the recommendation to disband the Classic Country Tourism Marketing Board, and Clare Valley and Yorke Peninsula are now separate tourism regions. Adelaide and Adelaide Hills are now formally separated into two individual marketing regions—and we have a very eminent chairman of the Adelaide Hills tourism marketing group sitting in the chair in the committee this evening. We moved to disband Flinders and Outback South Australia board and those new regional structures will be implemented from 1 July this year.

Tourism marketing committees will be established in each of those regions and their focus will always be on marketing to consumers, the strength of each region, and why visitors should go there. A regional tourism marketing unit has been established within the South Australian Tourism Commission, employing officers responsible for marketing in the regions I have just mentioned. Those officers will be based in the regions and will work with the local tourism marketing committees. So far it has been greeted with some enthusiasm throughout most of the regions although, understandably, there is always concern when change takes place and maybe, on some occasions, that change is not fully understood.

One of the interesting things is that when phase 1 of that review was taking place it became clear from other regions that they wanted their regions to be looked at as well, so we went into phase 2. Phase 2 looked at the other regions, and that commenced on 13 March and was completed—because so much of it had been done earlier—not long afterwards. There is a newly appointed regional marketing manager, Mr Bill Nehmy, who joined the review team after the first segment. The team met on 30 March to determine the outcomes and to formulate its new set of recommendations for the six remaining regions. Interestingly, phase 2 recommendations came up with many similar outcomes to phase 1, which is no surprise to any of us; but they did establish that it is important to set up marketing committees to concentrate on the development and implementation of regional marketing plans.

Looking at the regions that were involved—and the member for Flinders would be particularly interested in this one—Eyre Peninsula was one of those regions looked at, and it has been recommended that the Eyre Peninsula marketing manager be employed by the South Australian Tourism Commission while product development in Eyre Peninsula, Flinders Ranges and Outback is to be given a particularly strong focus. There are new guidelines for tourism stakeholders and covering responsibilities for marketing visitor information, infrastructure and product development. Those last couple of elements are particularly interesting for the member for Flinders and her area because there is so much that can be done, particularly in the area of infrastructure and product development.

None of the regions will receive less money than they did previously. The areas of Flinders Ranges and Outback and Eyre Peninsula will receive an allowance of \$50 000, which is not linked to any matching funding. This money specifically will be set aside for product development as these two regions have been identified as having the greatest need, and

I suspect that the member for Flinders would not disagree with that. The South-East will receive an extra \$25 000 which, again, is not linked to any matching funding. This money has been specifically allocated to cover the additional responsibility that the area now has for marketing the Coorong. With our concentration and focus in the next 12 months on nature-based tourism, marketing the Coorong will be a very important aspect of our program.

The marketing staff of the South Australian Tourism Commission will regularly travel to all regions, as well as the 10 tourism marketing boards and marketing committee meetings. That enables the committee members to seek clarification directly with the SATC, as well as ensuring that all staff have a greater understanding of the region's product, operators and industry needs. The funding is important, some of which is matching funding and some of which is untied.

One main reason for this is to give those regions a sense of ownership in terms of what is being developed for their regions. The regions have been participants in a very substantial decision to involve themselves in the sponsorship arrangements between the SATC and Channel 9's *Postcards* and Channel 7's *Discover* and *Out and About*, and this gives all the regions a substantial say in the direct ownership and involvement of their product that is being promoted in those regions. So far, we are pretty excited about what might emerge from the review.

Mrs PENFOLD: Budget paper 4, volume 1, page 1.18 refers to tourism infrastructure development. Significant funds have been committed to developing tourism infrastructure on Kangaroo Island and the Yorke Peninsula in recent years. Will the minister advise what works have been completed as a result of these funds and what new major regional infrastructure projects will be funded out of this year's budget?

Mr Venning: You haven't got Kangaroo Island in your electorate.

The Hon. J. Hall: We know that Kangaroo Island is no longer in the electorate of the member for Flinders. However, we also know that Kangaroo Island does play a very pivotal role in the tourism of our state. There is absolutely no doubt that it is one of the most recognisable destinations, certainly in the international environment. The SATC is continuing to coordinate the implementation of the recommendations of that working group report. The progress on key tourism infrastructure projects is as follows: the sealing of the South Coast Road was completed in April 2000, with Transport SA operating as project managers; the upgrading of Cape du Couedic Road has also been completed and the Department of Environment and Heritage was project managing; and upgrading of the West End Highway to be sealed to a standard has commenced with survey design work and some rubble raising under way.

Work will be completed on that particular section in April-May next year, which will then complete a sealed loop road right around Kangaroo Island, and that is extremely important not just for visitors but also for the local residents of Kangaroo Island. That is one of the benefits of Kangaroo Island being such an important tourism destination. Traffic management improvements have been completed for the Penneshaw and Cape Jervis ferry marshalling areas, and discussions are continuing with the operators about further upgrading of passenger amenities at the location as the number of visitors to Kangaroo Island keeps increasing.

The TAFE training facility catering for tourism on the island has now been operational in Kingscote for nearly a

year. It is conducting training programs for Kangaroo Island residents on a regular basis. The Kangaroo Island council's plan amendment report has now been authorised, and this provides greater opportunities for the much needed tourism accommodation development on the island, and we all know how important that is. Funding assistance has been provided for a mooring pontoon off the Kingscote jetty to cater for cruise ship tender craft, charter yachts and other visiting boats.

We would all remember, hopefully, that the first cruise ship ever to visit Kangaroo Island in March this year was able to land at the pontoon which had been specifically built and which is now maintained by the Kangaroo Island council. It is a very important tool in attracting other potential cruise ship visits to Kangaroo Island. In total, the government has committed \$10 million over four years to Kangaroo Island infrastructure. That infrastructure does support a range of projects, and \$2 million has been allocated for the new financial year.

Yorke Peninsula is another area of our state that certainly needs some infrastructure money. Already we have made preliminary inroads into that area by announcing three particular projects, which emerged as a result of the examination of tourism infrastructure needs to Yorke Peninsula. The projects that have been announced include the National Dry Land Farming Centre at Kadina and, with respect to the development of the next stage of that interpretive building, we have set aside \$500 000. A study into options and cost estimates for the provision of potable water supply to the southern parts of Yorke Peninsula is another project which has been approved and which has been allocated \$150 000 because lack of an adequate water supply is, without doubt, seen as a deterrent to future tourism development in areas in central and southern Yorke Peninsula.

Another part of the infrastructure which has been announced and which is proceeding is the upgrading to sealed standard of the Marion Bay to Corny Point road, which will unquestionably open up tourist access to the spectacular west coast at the foot of the peninsula. An amount of \$1.3 million has been allocated for that purpose. Overall, the government has committed \$1.95 million over two years for the first of those three projects to which I have referred, and that is an incredibly important aspect of what we are doing. There is no doubt that there are so many other tourism projects that need government support and, I would argue, deserve it. Hopefully, we will be able to move further down that track in the future.

A couple of other projects that have already been approved include money set aside for the Pichi Richi railway line from Quorn to Port Augusta, which will be a very important tourism project. There is money for the new Visitor Information Centre at Bordertown; and \$400 000 has been set aside for upgrading passenger amenities at Penneshaw and Cape Jervis ports. Of course, that is one project that clearly provides not only local benefits but also benefits to visitors. Infrastructure provision is extremely important in the future. I continue to hope that the government will see fit to invest money in the very important tourism portfolio so that the benefits are shared across the state.

Mr WRIGHT: The opposition welcomes the increase of \$400 000 for international marketing. We are also delighted with the information highlighted in one of the minister's press releases about international visitation increasing to 316 000. I refer to budget paper 4 (page 119). Our number of international visitors has increased by 10 per cent, compared to

less than 3 per cent nationally. We all welcome that; that is good. Of course, we come off a low base. To get a true reading, we need to look at our figures each year for the past three financial years as a percentage of international visitor nights in Australia. The minister may not have this information at her fingertips, but will she provide figures for international visitors to South Australia for the past three financial years and express them as a percentage of international visitor nights for Australia?

In addition to the good news of a 10 per cent increase and the figure being 316 000—and everyone welcomes that because, member for Schubert, we are all about a bipartisan approach with respect to tourism to try to grow our state—I would like to have figures that show us more specifically what is happening to our share of visitors into South Australia, and what has happened to that share in the past three financial years. I would also like figures that indicate that as a comparative percentage of international visitor nights in Australia. If we had those figures in front of us, we could see very starkly what our figures are doing compared to those of other states. The minister may not have that information at her fingertips, but she may have some idea of that which she can share with us now. The minister may be able to bring in more detail later.

The Hon. J. Hall: I will take that on notice because, whilst we have individual figures, I do not have figures for the three years that the honourable member talked about. However, I would be very happy to provide them. There is no question that we came off a low base. That is why from our perspective concentration on our international numbers is so important. We get a greater value and a greater return on yield for what comes in from the international environment. We are particularly pleased with the numbers of visitors to South Australia coming out of the United Kingdom and Europe. We now have a big focus on Germany, France and Italy, because we take the view that at this stage it is much more important to increase the yield from existing good markets rather than the slow process of developing new ones—which, of course, we know we have to do as well. That is incredibly important. By way of example, when on holiday, German visitors like our outback, and they spend longer times in their destinations. Europe is important, and I would be very happy to get those figures together.

One of the things that has surprised people is the speed with which the Asian recovery has taken place. I do not think anyone expected that that recovery would take place so quickly. Of course, that will have long-term ramifications for us in the state because, with that recovery now taking place, Queensland and New South Wales will, without doubt, be there ready to pick up a significant share that it lost when the downturn occurred. Our entry into China all of a sudden becomes extremely significant. The member for Lee knows that I visited China last year, and we have already had several visits back to South Australia from Chinese operators. They are working closely with us to make sure that advances are made from that country. That will become very important to us in the future.

Our numbers out of America are not quite as good as I would like to see them. However, with the focus on our country in the lead up to the Olympic games, one of our great challenges is to make sure that we make the most of the benefits that will follow in the next 12 months. I will ensure that the rest of that information is available to the member for Lee.

Mr WRIGHT: This question is supplementary to the question I asked earlier in respect of visitations from overseas. What is the predicted result for the 2000-01 financial year?

The Hon. J. Hall: Are you referring to international visitations?

Mr WRIGHT: Yes.

The Hon. J. Hall: I am taking it that the member for Lee is referring to the projected increase on the 1999 figure. We are looking at an 8 per cent increase. As I mentioned in my opening remarks, there are the unknown factors of post Olympics and the GST. While we are looking at proposals and specific plans to work around both those issues, at this stage our target is 8 per cent on the 1999 figure.

Mr WRIGHT: I deliberately did not ask you this question earlier, because I thought it might have upset you. However, we would not be in estimates if I did not ask about your old mate, Carole Hancock. In last year's estimates committee, you advised me that Ms Hancock received a termination payment of \$151 133.86, and that in June of 1999 proceedings were issued in the Supreme Court against the South Australian Tourism Commission by solicitors acting for Ms Hancock, obviously with respect to wrongful termination. Has there been a resolution to this matter and, if so, what is it?

The Hon. J. Hall: The member for Lee is quite right: I did expect that he might seek a follow-up response to the questions of last year, and I am sure that the member for Lee will understand why I again choose my words extremely carefully. The remarks that I have made in the parliament over the past 12 months still apply. The member for Lee knows that the government is strongly defending the legal action brought against it by Ms Hancock, who is seeking payment for wrongful termination of the agreement, for aggravated damages for outplacement, and trauma counselling and relocation costs. Therefore, the update that I am able to give the member for Lee (apart from the fact that he absolutely understands that we have enjoyed great stability for some time now) is that the case continues before the courts, and we are currently awaiting a judgment on a process matter which is about—and I quote these words carefully, 'better and further discovery of information'. So, that is the update that I am able to give the member for Lee. Hopefully, by the time of next year's estimates committee, we might be able to provide total details. However, as the member for Lee knows, the government is strongly defending the case. That is the situation at present, and I am not able to give any other details.

Mr WRIGHT: Unlike last year, I will not further probe into the matter. However, as the minister said, it comes as no surprise that I followed up from last year. I appreciate the sensitivities involved and, believe it or not, I understand what the minister is saying, because I engaged in a little industrial representation before I came into this place.

With respect to stability, I cannot help but agree and I accept that—and obviously the minister is referring to the new chief executive officer. The only mistake she made is that she did not do what the opposition advised her to do (maybe not her directly, because she was not minister at the time), and that was to appoint Bill Spurr earlier than when he was appointed. That was the only mistake with respect to the appointment of Bill Spurr as chief executive officer: he was at least one round, maybe two rounds, too late. Nonetheless, at least we have him in the position now, and that is good.

The minister referred to the Le Mans race, to which we all look forward and which we expect to be very successful. I refer to budget paper 4, page 147. I would like some clarification from the minister with respect to the total exposure of South Australian taxpayers to the Le Mans race, because although I was briefed prior to the committee stage of the bill, I was not 100 per cent certain of this aspect. I am not trying to answer the question for the minister but, by my reckoning and by the briefing I received, that will include the building of the track, the capital works, and the licence fee to Mr Panoz; and, of course, there is some money (I understand that it is \$2.2 million) that Mr Panoz is refunding to the state. I would like to clarify the total figure that we as taxpayers are putting in as our financial commitment for the Le Mans event.

The Hon. J. Hall: I think I understand what the member for Lee said. We are talking about \$1.8 million capital costs and \$2.6 million on the licence fee, and then the construction of the build. That is the slight variable because, depending on the size of the corporates and the final composition of the track, that is the contribution Panoz Australia will contribute back. Its contribution is capped at \$2.2 million so, if we use the figure of about \$5 million, of which we would get \$2.2 million back from Panoz Australia, that is the variable figure, because of the final composition and size of the build.

Mr WRIGHT: Those figures are as I was briefed; that is, the building of the track is about \$5 million, of which \$2.2 million is coming back, so we are looking at approximately \$2.8 million, being \$1.8 million for capital works and \$2.5 million or \$2.6 million. So, we are looking at about \$7 million overall, which includes the \$2.2 million that comes off.

The Hon. J. Hall: Yes.

Mr VENNING: I noted the earlier comments about Olympic football, and we have also heard the news about the draw, and we are very pleased about that. There were a few sceptics about, and I was a bit doubtful about the whole thing, but I am pleased it has turned around the way it has, particularly in relation to ticket sales. I refer to budget paper 4, volume I, page 1.21. Will the minister advise the current status in relation to hosting a successful Olympic football tournament in Adelaide as part of the Sydney 2000 Olympic Games?

The Hon. J. Hall: I sincerely thank the member for Schubert for his question, because late today we got some figures from SOCOG. I have gone on record before saying that dealing with SOCOG is sometimes a challenge, so I will choose some of these words carefully. However, the sensational draw has no doubt helped the ticket sales that we are experiencing here in South Australia. As of today, I think it is fair to say that in SOCOG's language there are no more tickets available for the Italy-Nigeria match, which is to be held on Tuesday the 19th. However, closely following that are several others. Saturday the 23rd is the quarter-final, and there are just 1 200 tickets left for that. The A class tickets for that have all gone.

That is close on the heels of the Nigeria-Italy sell-out, I would say, although SOCOG says 'no more tickets available', because it has mentioned that some may come back on the market when the last minute infrastructure has finally been ticked off. So, another 50 or perhaps 70 tickets may come on the market. But the quarter-final is going incredibly well, closely followed by the match between Italy and Honduras, which will be on Saturday the 16th. Ticket sales for that are absolutely booming.

The tickets for the gala ceremony on the opening day, Wednesday the 13th, are going incredibly well. It is worth putting on record that, since the draw, we have sold more than 21 000 tickets to the tournament here in our state. I must pay a huge tribute to the fantastic staff down at the Travel and Visitor Centre, because on the day the tickets went on sale SOCOG had resolved that South Australia would have two terminals to handle the load. Melbourne had four, yet we actually sold more tickets here in Adelaide than they did in Melbourne on the first day.

It is a great tribute to the staff down at the Travel and Visitor Centre that, when they closed the door at 5 o'clock on that Thursday, all the people who had been queuing two or three deep during the day were brought inside the travel centre and no-one left without their tickets that night. They stayed open serving and dealing with the customers until just after 8 o'clock. It was quite a fantastic effort, and I am incredibly proud of what they achieved.

The honourable member is quite right: there have been some sceptics; but there is no question that some real excitement is building up. I am hopeful, as I have said before, that we will have a total sell-out. Certainly, the way we are going and a bit of luck with the most sensational draw is really helping us. Whilst I say that there is still great value out there and much excitement with the various communities that are now working toward making it such a fantastic event, the interest will be building.

The other aspect of this tournament that I think is very exciting is the marketing plan, which has been deliberately designed to include as many people as possible. Experiencing an Olympic tournament is not something that many people get to do, and the fact that Adelaide is part of that experience is very exciting. Along with what SOCOG is doing, which is important and comprehensive (its advertising campaign is starting on 18 June, next Sunday, and a poster campaign is scheduled to begin very soon), there are several other major promotions that I think are worth sharing, because they relate to many activities that involve school students. There has been very substantial assistance from the Education Department and many of the multicultural groups, particularly those that have been involved with the draw. Last Saturday there was a celebration of soccer playing nations, very active and making a lot of noise in Rundle Mall. Information fliers were distributed on that day.

Another really great project that has been put together is the banner art project for schools. That will conclude with a march down Port Road and a presentation at the junior soccer match at Hindmarsh Stadium on 7 July. It is really exciting to see the children getting involved. So far 38 schools from all regions of the state are preparing their banners and we expect more than 50 entries. Last week I presented an award to a young lady who won the Olympic Look competition that was conducted by the TAFE School of Engineering. It put together the most ingenious Olympic looks and I am extremely pleased I was not a judge. That was also very exciting.

On the eve of the quarter final, which is 22 September, a grand festival parade will be held. That will be coordinated by the many multicultural groups and Rundle Street traders. Southgate Event Management and Don Moir and Associates were successful in being awarded the contract to stage the gala ceremony for the first match and the planning for that event is well under way. A marvellous web site has been developed with the assistance of the commission and it is operating now with the approval of SOCOG. The 'Welcome to Adelaide' signage is in place at the airport and we are

negotiating with the Department of Transport on all the other major arterial roads, including at Gepps Cross and Glen Osmond, and we are hopeful that will be pretty exciting. During the period of the tournament, a giant video super-screen, which has been leased from Clipsal Vision, will be installed at the northern end.

All the corporate boxes have now been sold and there is such a demand and interest that a new package has been developed. We have put together 15 tables of 10 guests and at this stage the expressions of interest outnumber the packages that are available. The companies that have expressed their interest have received a follow-up letter, and they will be awarded on a first come, first served basis.

Between now and September, as all of Australia starts to focus on the opportunities arising from this amazing sporting gala in Sydney, the fact that it will be shared across other states makes it particularly important, and I can only say that I am incredibly proud of the South Australian effort. To Bill Spurr, Peter Lang and their team, who are putting in such a professional effort to make it work, I express my heartfelt thanks. I hope it is a great success, I hope it is a sell-out and I hope it really puts the soccer community and the sport of soccer onto a new level of importance and unity in the years to come, as they make use of the fantastic facility at Hindmarsh, which without doubt is world class.

I will give some gratuitous advice to the Colonial Stadium in Melbourne. Very early in the piece we commissioned Mr Les Burdett to be the consultant to look after the quality of the pitch at Hindmarsh. He is extremely proud that not only does he have on his CV the fact that he cares for the turf at Adelaide Oval but also that he cares for Hindmarsh Stadium, where an Olympic tournament is to be played. It is a tribute to the people of this state that SOCOG believes that the handling of the tournament in this state has been done in such a professional manner, and I can only say how fantastic the team is.

Mr VENNING: My question relates to tourism infrastructure development. I noted the minister's comments earlier concerning the Barossa resort, which is a wonderful tourism asset. As the minister knows, it has been on the drawing board since the 1990s, long before this government came to the treasury benches and it was due to the assistance and encouragement of this government that it is now there—and what a wonderful asset it is. I am going there next week to a luncheon as a guest of Mr Paul McConville. It is understood that the South Australian Tourism Commission now operates a tourism development fund to assist in the development of tourism infrastructure across the state. Can the minister explain how the tourism development fund came into being, the intention of the fund and how successful the fund has been in providing assistance to the state's tourism industry?

The Hon. J. Hall: I thank the member for Schubert for his question because, as he and many of my colleagues know, I happen to believe that tourism infrastructure is an incredibly important part of moving forward to success in the future. It was in the budget of May 1999 that the government established a three-year industry development fund. As a component of the idea, I was successful in getting support to establish a three-year tourism infrastructure fund through which the distribution of the funds from the IDF to the tourism industry occurs. That fund is to encourage and financially assist with improvements to tourism attractions and infrastructure facilities throughout South Australia. In this way the government has been able to adopt what I believe is a strategic approach to tourism industry develop-

ment and assistance which results in upgrading of existing infrastructure and the provision of new facilities.

This fund operates at two levels. There are the minor infrastructure projects involving up to \$50 000 in funding that are usually matched on a dollar for dollar basis. They are dealt with twice a year, with applications going out. Thus far that has been pretty successful. Another part of that is the major infrastructure projects that require funding of more than \$50 000. These are generally referred to the state development committee of cabinet for broad strategic approval.

The establishment of the Tourism Development Fund has been successful but, as always, there are more requests than there is money to meet them. Under the management of SATC, work is progressing on the 38 minor and the eight major tourism infrastructure projects that I approved during the 1999-2000 financial year. I am delighted to say that 96 per cent of the approved projects are located in regional South Australia, and that is resulting in a very wide variety of new and improved infrastructure developments in each of the regions.

This financial year there will be two intakes of applications to the Tourism Development Fund. The first round of applications closed on 30 April and the second round will close on 30 October. One example (it does not affect the member for Schubert's electorate but I am sure he will be very interested and will understand the importance of it) is the joint venture with the boating industry of South Australia, with the allocation of \$50 000 towards the installation of navigational and safe mooring signage along the Murray River. We did not have the money for projects such as that, but the benefits for that particular project are widespread, and it is not just the Murray River but that magnificent growing houseboat market that benefits from it, and certainly the region generally is one of the great beneficiaries.

The other grant that is very important is the Lady Nelson Visitor and Discovery Centre at Mount Gambier which was allocated \$50 000 to assist with the redevelopment of a wetland display area and the entrance to the discovery centre. That grant will be matched dollar for dollar by the local council. So, not only are these grants being made but also there is an involvement and a sense of ownership because many of the grants involve the local community, the local council or both. I believe that is very important for the long-term success of the industry sector.

Mr VENNING: I note the minister's earlier comments concerning these events, and my question relates to event development. The minister referred to a long list of very successful events, and these are projects we only dreamt of a few years ago. One event the minister did not mention is Barossa Under The Stars. The minister attended that event, and we all had very sore faces from smiling so much because it was a fantastic night. The chair of the Barossa Wine Tourism Association, Aaron Penley, and its CEO, Barry Salter, did a magnificent job. That event was a great asset, a huge success and a great selling point for South Australia. Certainly Michael Crawford, alias Frank Spencer, was a drawcard, but the event was beautifully put together. It was another very successful event on a long list of our achievements.

Before I ask my question I want to pay tribute to the minister's advisers. They have certainly done an excellent job. The minister has a mighty team under the leadership of Bill Spurr. Certainly, we appreciate not only what he does for the minister but what he does for us, as members of parlia-

ment on both sides of the House. He certainly plays with a straight bat, and even when we talk about him he does not smile. I believe that the minister's ministerial adviser, Simon Birmingham, is leaving soon. It is his birthday today. I understand that later we are going to have a little drink to celebrate that occasion. I refer to budget paper 4, volume 1, page 1.21, as it relates to event development and marketing South Australia. I understand that a principal aim of the government's event strategy is to promote South Australia nationally and internationally. Will the minister advise what the benefits have been over the past 12 months in terms of events profiling the state, including Barossa Under the Stars?

The Hon. J. Hall: Again, I thank the member for Schubert for his question, and I do acknowledge that I did leave out Barossa Under the Stars; however, in coming weeks the honourable member may be able to ask me a fantastic question about next year's Barossa Under the Stars, which I am sure will be bigger and better than it has been in the past. I have no doubt that again it will be a sell-out. In terms of the very complimentary remarks made by the honourable member about the team at the SATC, I heartily endorse them. Certainly the member for Lee made his views and the views of his party on that subject very well known a few moments ago.

I believe that is something we should celebrate because it is fantastic. Certainly, I do hope the member for Schubert joins us afterwards for a drink to celebrate Mr Birmingham's birthday. However, with respect to the most important aspect of the honourable member's question, namely, major events, there is no doubt that the growth and development of the Major Events unit has been really important. I suspect that it has grown to a degree that no-one envisaged when the original unit was established. Global media coverage is certainly one aspect of the growth of our events about which we are particularly pleased because the benefits that are derived from that are enormous.

The results of the media audit, for example, of the Tour Down Under and Tasting Australia are quite extraordinary. One reason we now take the media audit so seriously is that the events have grown beyond some of our wildest expectations as a result of the enormous media profile those events give the state. I did report to the committee earlier that the media audit for this year's Jacobs Creek Tour Down Under generated more than \$21 million in media coverage, and Tasting Australia held in October last year generated \$67.7 million in media value to our state, which, I assure members, would be quite impossible for our budget to accommodate.

In terms of the operation of the Major Events unit, it is worth repeating that, since its inception in November 1994, it has now supported events that have generated income to the value of \$253 million. It has generated many thousands of international and interstate visitors. I think it is certainly one of the great success stories of the growth of tourism in our state because now not only is the very impressive result starting to come through from marketing campaigns but the fact that we are now able to give people another reason to come to our state is a big drawcard and I am sure that we will continue to grow that over coming years.

Mr Venning interjecting:

The Hon. J. Hall: Yes, I agree: when we get the airport fixed up, that will be wonderful.

Ms THOMPSON: I refer to budget paper 4, volume 1, page 1.37, relating to the operating statement for the Adelaide Convention Centre. I am just trying to get a better picture of

what is happening to the operations of the centre during the time of construction of the extension. I understood the minister to have indicated earlier that there was an additional one-off payment of grant revenue under that operating revenue. We certainly see a decrease in the value of the goods and services for the 2000-01 budget, although the value of goods and services in the estimated result for 1999-2000 has held very strongly. I am not quite sure where the additional grant revenue comes in from there.

Then when we look at the expenses, I would have expected to see some considerable decrease in the expenses, given that I understand that a large number of staff of the convention centre are casual staff, and therefore would not be drawing wages or having payroll tax paid for them when there are no events on, yet we see an increase in salaries, wages and so on, a bit of a decrease in payroll tax and only a very slight decrease in expenses of other supplies and services. I do not have a picture of what is happening during the period of downturn and especially why the extra grant revenue is required for 1999-2000 when the revenue seems to be keeping up.

The Hon. J. Hall: Provision still has to be made for payroll tax and superannuation. That is still obviously being put aside. Equally, sales and goods and services are down, which is obviously why the grant of \$2.5 million we referred to earlier had to be made. One of the reasons why salaries and wages costs are going up is that, despite a decrease in the operating revenue for 2000-01, salaries and wages costs are expected to increase marginally, and this is due particularly to the extra staff being employed—despite some of the conference activities being diminished—because the effective training of those personnel has to start significantly before the opening.

As the honourable member would know, it is very important for our standards to be maintained. The increase in staff numbers will come on-line significantly before the end of the 2000-01 financial year, because not only do they have to handle the expansion of the facility but they have to be trained to be ready for the opening, which is scheduled—and it is a slightly movable date at present—optimistically for August. They have to be well and truly thoroughly trained to maintain the professional standards before that time. So there will be increased staff numbers over the next 12 months.

Ms THOMPSON: The estimated result for 1999-2000 for the sale of goods and services is consistent with the budget, yet the grant is \$1.7 million more than was in the budget. Can the minister give some explanation for that?

The Hon. J. Hall: I provided that information in response to a question from the member for Lee earlier. That is the one-off grant.

Ms THOMPSON: What about the 2000-01 budget? Is that not the one-off grant?

The Hon. J. Hall: No, the one-off grant is this year.

Ms THOMPSON: However, the estimated result for the sale of goods and services revenue is exactly consistent with the budget.

The Hon. J. Hall: I am not sure whether the member for Reynell was in here at the time, but that is the one-off grant from SAFA to the Convention Centre for the maintenance and for looking after the railway facilities in the ASER project, and Treasury has treated that as a grant. That is what that \$1.25 million is—just a one-off payment.

Ms THOMPSON: Is the 2000-01 figure a SAFA one as well?

The Hon. J. Hall: No, that is a one-off as well, but it is a grant from Treasury.

Ms THOMPSON: It is a different one-off?

The Hon. J. Hall: Yes.

Ms THOMPSON: I understand that. However, there is another one under 'grant revenue payments' on page 1.37. On page 1.36 there is the 'grants and subsidies' grant for the Convention Centre which has also increased. Perhaps the minister could provide a more fulsome explanation. There seem to be three different grants figures, and we have had explanations for only two.

The Hon. J. Hall: I undertake to give the member for Reynell some detail on those questions. There is a degree of confusion here.

The CHAIRMAN: I declare the examination of the votes completed.

ADJOURNMENT

At 10 p.m. the committee adjourned until Thursday 15 June at 11 a.m.